

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2067H.02C
Bill No.: HCS for HB Nos. 1420 & 527
Subject: Motor Vehicles; Law Enforcement Officers and Agencies; Boards, Commissions,
Committees, and Councils
Type: Original
Date: April 27, 2025

Bill Summary: This proposal establishes the "Auto Theft Prevention Program" within the Department of Public Safety.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue	(\$56,250)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$56,250)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Auto Theft Prevention Commission Revolving Fund	More than (\$2,316,089 to \$2,319,089)	More than (\$1,903,227)	More than (\$1,937,990)
Highway Fund (0644)	Could exceed \$6,750,000	Could exceed \$6,750,000	Could exceed \$6,750,000
Total Estimated Net Effect on <u>Other</u> State Funds	Could exceed \$4,430,911 to \$4,433,911	Could exceed \$4,846,773	Could exceed \$4,812,010

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
Auto Theft Prevention Commission Revolving Fund	10 FTE	10 FTE	10 FTE
Total Estimated Net Effect on FTE	10 FTE	10 FTE	10 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	\$1,440,000	\$1,440,000	\$1,440,000

FISCAL ANALYSIS

ASSUMPTION

§§43.280, 43.282, 43.284, 43.285, 43.286, 43.287 & 301.190 – Auto Theft Prevention Act

Officials from the **Missouri Highway Patrol (MHP)** assume the following regarding this proposal:

Section 43.282.6 of House Bill 1420 (2067H.01I) mandates the Missouri State Highway Patrol provide all administration, management, and organization of the Auto Theft Prevention Commission, as created in Section 43.282. In tasked with providing the necessary support services for a statewide task force, the Patrol anticipates the need for criminal investigators (troopers) in the following areas: Troop A (2), Troop C (2), Troop D (2), and Troop E (1). In addition, the Patrol anticipates needing one (1) Senior Systems Administration Specialist (non-supervisory) FTE to coordinate and support the information technology function needs of task force personnel. Along with this, is the need to purchase one (1) storage node for virtual information storage. Finally, to assist with the support role the Patrol anticipates the need to add two (2) Administrative Support Assistant FTE.

Funding for these positions would either come from the created Auto Theft Prevention Commission Revolving Fund, as outlined in Sections 43.286.1 through 43.286.3, or through General Revenue (0101).

It is assumed there will be an unknown savings to the Highway Fund (0644), as those tenured troopers would be replaced with Highway funded probationary troopers.

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates for 10 FTE and related costs to the newly established Auto Theft Prevention Commission Revolving Fund as provided by the MHP. Oversight will also reflect an “Unknown” savings to the Highway Fund for the replacement of tenured troopers with probationary troopers. Oversight assumes the savings could exceed \$250,000.

Oversight notes, the proposal states that FTE shall be eliminated if gifts, grants, or donations are no longer available for the program.

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

Administrative Impact

To accommodate for the increased fee and additional distribution vector for all original title transactions, the MVB will need to:

- Perform system updates to TRIPS;
- Update procedures and training material;
- Update forms and the department's website.

FY 2026 – Systems Analysis & Support

Associate Research/Data Analyst 199 hrs. @ \$26.03/hr. =\$5,180

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

Administrative Manager 25 hrs. @ \$35.10/hr. =\$878

FY 2026 – Strategy & Communications Office

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

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

Total = **\$8,790**

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.

Auto Theft Prevention Program

DOR notes, in addition to receiving specialized training for motor vehicle-related crimes, the Motor Vehicle Bureau assumes we will contribute to the Auto Theft Prevention Commission's efforts in the following manner:

- Providing access to vehicle registration information, ownership records, title history, and driver information to assist in investigations;
- Identifying potentially fraudulent vehicle registrations or title applications that may be linked to auto theft;
- Assisting law enforcement with vehicle identification, tracing ownership, and verifying vehicle information;

- Consulting with the Commission on potential policy changes that could enhance auto theft prevention measures.

If the program requires the Motor Vehicle Bureau to assist with tasks that are more complex or time-consuming, additional FTE may be needed. Any tasks that require MVB resources outside of what has been identified above may also require system changes.; However, that is unknown at this time.

FUSION Impact

Implementation Consultant: 250 hours @ \$225/hr. = **\$56,250**

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

Revenue Impact

DOR notes, due to the Missouri Constitutional requirement (Article IV Section 30(b)) for any fee collected by the Department that is incident to highway use to be distributed to MoDOT for transportation purposes, it is likely the increased fee imposed by this legislation will not be distributed to the Auto Theft Prevention Commission Revolving Fund. There were 1.8 million applicable title transactions in FY 2024, which would generate an additional \$9 million in title fees. For the purposes of this fiscal note, the increased fee distribution will be reflected as required by the Constitution.

Oversight does not have information to the contrary and therefore, Oversight will reflect the revenue estimates as provided by DOR. Oversight will reflect the revenue being distributed to the Highway Fund (75%), Cities (15%) and Counties (10%) as indicated by DOR.

Officials from the **Missouri Department of Transportation (MoDOT)** assume the revenues collected from these fees are state revenue derived from highway users (SRHU) subject to the distribution requirements set out in Art. IV, Sec. 30(b)1, Mo. Const.

MoDOT defers to DOR for the estimate from the fee increase.

This diversion also impacts cities and counties.

Officials from the **Office of the Governor (GOV)** assume this bill adds to the Governor's current load of appointment duties. Individually, additional requirements should not fiscally impact the Office of the Governor. However, the cumulative impact of additional appointment duties across all enacted legislation may require additional resources for the Office of the Governor.

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

Officials from the **Department of Public Safety – Director's Office** deferred to the MHP for the potential fiscal impact of this proposal.

Officials from the **Oversight Division** stated they are responsible for providing a Sunset Report pursuant to Section 23.253 RSMo; however, Oversight will be able to absorb the cost with the current budget authority.

Officials from the **Phelps County Sheriff, 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.

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</u> – DOR – FUSION implementation consultant	<u>(\$56,250)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$56,250)</u>	<u>\$0</u>	<u>\$0</u>
HIGHWAY FUND (0644)			
<u>Revenue</u> – \$5 of each original certificate fee (§301.190)	\$6,750,000	\$6,750,000	\$6,750,000
<u>Savings</u> – MHP – tenured officers replaced with probationary officers	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON THE HIGHWAY FUND (0644)	<u>Could exceed \$6,750,000</u>	<u>Could exceed \$6,750,000</u>	<u>Could exceed \$6,750,000</u>
AUTO THEFT PREVENTION COMMISSION REVOLVING FUND			
<u>Cost</u> – MHP (§§43.280, 43.282, 43.284, 43.285, 43.286, 43.287)			
Personal Services	(\$743,800)	(\$910,411)	(\$928,619)
Fringe Benefits	(\$676,263)	(\$827,746)	(\$844,301)
Expense and Equipment	(\$896,026 to \$899,026)	(\$165,070)	(\$165,070)
<u>Total Cost</u> - MHP	(\$2,316,089 to \$2,319,089)	(\$1,903,227)	(\$1,937,990)
FTE Change - MHP	10 FTE	10 FTE	10 FTE
<u>Transfer Out</u> – grants to law enforcement agencies or other qualified applicants (§43.282)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
ESTIMATED NET EFFECT ON THE AUTO THEFT PREVENTION COMMISSION REVOLVING FUND	More than (\$2,316,089 to <u>\$2,319,089</u>)	More than <u>(\$1,903,227)</u>	More than <u>(\$1,937,990)</u>
Estimated Net FTE Change to the Auto Theft Prevention Commission Revolving Fund	10 FTE	10 FTE	10 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue</u> (Cities 15%) – \$5 of each original certificate fee (§301.190)	\$1,350,000	\$1,350,000	\$1,350,000
<u>Revenue</u> (Counties 10%) – \$5 of each original certificate fee (§301.190)	\$90,000	\$90,000	\$90,000
<u>Transfer In</u> – from MHP to law enforcement agencies or other qualified applicants for grants (§43.282)	Unknown	Unknown	Unknown
<u>Cost</u> – implementation of auto theft prevention programs	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$1,440,000</u>	<u>\$1,440,000</u>	<u>\$1,440,000</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This bill creates the "Auto Theft Prevention Program". Under the program, law enforcement agencies and other qualified applicants can apply for grants for automobile theft prevention and the prosecution of automobile theft.

The supervision, authority, and control of the Program will be at the discretion of the Auto Theft Prevention Commission, which the bill establishes. Allocation of money by the Commission, including awarding grants, will receive approval from the Director of the Department of Public Safety.

The bill details the Commission's membership and will include the Superintendent of the State Highway Patrol or their designee and several people appointed by the Governor from specific departments, agencies, bureaus, and associations.

A consumer who has been impacted by automobile theft will also be appointed to the Commission.

This bill explains the details of the Commission members' terms and appointments. Members of the Commission will serve without compensation, except reimbursement for reasonable and necessary expenses incurred in the performance of their duties. The State Highway Patrol will provide the administration, management, and organization of the Commission's activities and grant programs. Subject to available funding, the Commission can appoint a director, who can employ necessary staff to operate and administer the Program. These operation and administration costs will not exceed eight percent.

The bill requires the Commission to establish a grant program for the provision of funds to local law enforcement agencies and multijurisdictional task forces for purposes detailed in this bill related to motor vehicle-related crime reduction and prevention. The Commission will also promote statewide coordination and provide support to local prosecutors and multi-jurisdictional task forces.

The Commission will solicit and select applications for grants to fund programs addressing motor vehicle theft. This bill explains the application and selection process. It also gives a nonexclusive list of the types of programs that will receive available funding. The Executive Director of the Department of Public Safety will make rules for the administration of the program as detailed in the bill.

The bill requires applicants that receive a grant to submit a report to the Commission concerning the implementation of the program funded via the grant by December 1, 2026. The Commission will report to the Judiciary Committees of the Senate and the House of Representatives on the implementation of the programs receiving grants by February 1, 2027. The details of this report's requirements are included in the bill.

This bill increases the fee for a certificate of ownership of a motor vehicle or trailer from eight to 13 dollars. It creates the "Auto Theft Prevention Commission Revolving Fund", which will receive all funds paid for those certificates and can receive and use funds granted by Congress, Executive Order, gifts, and donations. Money remaining in the fund will not automatically revert to the General Revenue Fund.

The provisions of the bill will automatically terminate after six years unless reauthorized by an act of the General Assembly.

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 Highway Patrol
Department of Revenue
Missouri Department of Transportation
Department of Public Safety – Director’s Office
Office of the Secretary of State
Joint Committee on Administrative Rules
Office of the Governor
Phelps County Sheriff
Kansas City Police Department
St. Louis County Police Department



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April 27, 2025



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