

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2190H.02I
Bill No.: HB 992
Subject: Highway Patrol; Professional Registration and Licensing; Crimes and Punishment
Type: Original
Date: March 4, 2025

Bill Summary: This proposal modifies provisions relating to criminal history background checks.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue*	\$0 to (\$223,067)	\$0 to (\$164,313)	\$0 to (\$166,967)
Total Estimated Net Effect on General Revenue	\$0 to (\$223,067)	\$0 to (\$164,313)	\$0 to (\$166,967)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Criminal Records System	\$0 to Could exceed \$176,000	0 to Could exceed \$176,000	0 to Could exceed \$176,000
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 to Could exceed \$176,000	\$0 to Could exceed \$176,000	\$0 to Could exceed \$176,000

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	0 to 2 FTE	0 to 2 FTE	0 to 2 FTE
Total Estimated Net Effect on FTE	0 to 2 FTE	0 to 2 FTE	0 to 2 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

§§43.546, 190.106, 201.487, 301.551, 311.661 and 335.022 – Background checks for certain applicants

Officials from the **Department of Revenue (DOR)** state §301.551 provides the DOR the option of requiring fingerprint submission with any licensure application for a new motor vehicle franchise dealer, used motor vehicle dealer, powersport dealer, wholesale motor vehicle dealer, motor vehicle dealer, public motor vehicle auction, RV dealer, trailer dealer, boat dealer, manufacturer, or boat manufacture. Applicants will be required to submit fingerprints to the Missouri State Highway Patrol (MSHP) for review of the state criminal record. The MSHP will also forward the prints to the FBI for review of the federal criminal record. Any fees associated with this process will be handled by the MSHP central repository.

NOTE: Although this statute states that the DOR “may” implement this measure, the current opinion of management indicates that this will become a requirement. Additionally, although the language indicates that this be included “... as part of an application seeking licensure...”, the DOR will also make this a requirement for annual dealer license renewals as this falls in line with current procedures.

The DOR will have the following fiscal impact:

Administrative Impact

To implement the proposed changes, the DOR will be required to:

- Update procedures, correspondence letters, forms, and the Department website;
- Update the Dealer and Business operating manual;
- Update Department Systems
- Send communications to registered dealers
- Need additional FTE; and
- Procure equipment for new FTE

The DOR will require 2 additional FTE for reviewing criminal background checks and processing the additional documentation.

Should the legislation be implemented, Motor Vehicle Bureau (MVB) employees will required to access the MSHP’s Missouri Automated Criminal History System (MACHS). Since the new process will give MVB an extensive view of an applicant’s criminal history, DOR is expecting the review times for the applications to increase. Additionally, the information contained in MACHS is considered sensitive but unclassified (SBU) federal information. MVB would ideally restrict the number of employees with access to the system to protect the confidentiality of the

data. This will create an additional step(s) in the approval process as requested data analysts would be reviewing the MACHS data before MVB grants new dealer licenses.

MVB has roughly 8,000 active dealers within Missouri. Based on data from other states who have implemented the same federal fingerprinting requirement, MVB estimates 10% of new dealers will be denied a license.

After completing the required training, MVB would also participate in MSHP's Rap Back Program. The program will automatically notify MVB every time a registered dealer commits a crime and is fingerprinted for said crime. The Associate Research Data Analyst would be responsible for keeping up with those notifications and beginning procedures to revoke licenses if it is a punishable offense.

DOR anticipates an increase in calls, correspondence, and a delay in processing due to the proposed legislation. The additional FTE would assist in the implementation and continuity of the federal fingerprint-based criminal history background checks.

With the changes, new and renewing dealers may be denied a license to operate and the DOR foresees a need for additional legal resources to pursue such denial actions and defending any appeals which may arise from the denials.

FY 2026 - Motor Vehicle Bureau additional FTE costs

Associate Research Data Analyst \$46,447

Equipment costs for laptops, accessories and software \$1,085

Additional monitors needed 2 @ \$169 each

Cubicle, chair, calculator \$8,438 each

Phone \$525 each

Headset \$125 each

Total per FTE \$56,958

* 2 FTE

Total \$113,916

FY 2026 – Motor Vehicle Bureau

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

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

Administrative Manager 10 hrs. @ \$358.10 per hr. = \$351

Total \$1,708

FY 2026 – Systems Analysis and Support

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

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

Associate Research/Data Analyst 80 hrs. @ \$26.03 per hr. =	<u>\$2,082</u>
Total	\$ 2,990

FY 2026 –Strategy and Communications Office

Research/Data Analyst 30 hrs. @ \$27.87 per hr. =	\$836
Administrative Manager 10 hrs. @ \$35.10 per hr. =	\$351
Associate Research/Data Analyst 20 hrs. @ 26.03 per hr. =	<u>\$521</u>
Total	\$1,708

Total Costs = \$120,322

The fiscal impact estimated above is based on changes in the current DOR'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 (Senate Bill 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.

Fusion Impact

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 DOR has included the potential costs associated with making the changes to the integrated system by the department's current vendor.

To develop a function within Fusion to add data entry fields to the dealer registration and account maintenance processes:

Implementation Consultant: 200 hrs. @ \$225/ hr = \$45,000

Oversight contacted DOR regarding the potential number of new applicants they receive on a yearly basis. DOR indicated they do not separate applications by new versus renewing dealers but assume the 8,000 applications are mostly renewals. The number stays roughly the same from one year to the next. Therefore, there would be some new dealers filing applications, but there is no way to determine that number.

DOR officials assume the applicant would be required to pay any background fees and the moneys would go to the MHP.

Oversight contacted DOR officials regarding background checks for renewals. DOR officials stated applicants need to have a new background check performed each time they apply for a renewal. The first 2 background checks are only good for a year each (initial licensing year and

then the first renewal year). After that, renewals are good for 2 years so the background check would be good for 2 years.

Officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** assume this proposal will have no fiscal impact on their organization.

Oversight notes, in response to similar legislation from the prior year (HCS HB 1800), MHP stated the proposal provides for a new §301.551 which allows DOR the ability to require a fingerprint criminal record check as part of an application process for said licenses. If DOR chooses to do so as a policy decision, then as a result, revenue would be generated into the Criminal Records System Fund.

Oversight also notes that the provisions of §301.551.1 state “The department of revenue may (emphasis added) require that fingerprint submissions be made a part of an application seeking licensure for a new motor vehicle franchise dealer...” In addition, the provisions of subsection 2 state “If (emphasis added) the department of revenue requires that fingerprint submissions be made as part of such application, the department of revenue shall require applicants submit the fingerprints to the Missouri state highway patrol for the purpose of conducting a state and federal fingerprint-based criminal history background check.” Since the language of the proposal is permissive, Oversight will range DOR’s fiscal impact from \$0 to the amount provided.

In addition, **Oversight** notes the current fingerprint-based background check fee is \$44.75. The State portion of that fee is \$20 + \$2 retained from the federal fee. Based on DOR’s estimate of 8,000 applications annually, the potential income into the Criminal Records System Fund (0671) could be as much as \$176,000 annually attributable to the number of background checks required by DOR alone. However, as stated earlier, the provisions of this proposal are permissive and other state agencies, boards and committees are no longer mandated to require applicants submit fingerprints when seeking various licenses or permits. Therefore, Oversight will range income into the Criminal Records System Fund as \$0 to Could exceed \$176,000 for each FY26, FY27 and FY28.

Officials from the **Springfield Police Department (PD)** state the PD would likely be completing more fingerprint appointments than are currently done. This increase could cause the PD to need to hire another full-time employee.

Oversight assumes Springfield PD’s impact is speculative at this point as there is no guarantee they would see a significant increase in the number of fingerprint appointments scheduled. In addition, of the local law enforcement agencies responding (see below), no other law enforcement agency anticipated a fiscal impact. Therefore, Oversight assumes the potential increase in the number of fingerprint appointments scheduled by the Springfield PD will not be significant enough to require the hiring of additional FTE. Oversight will present no fiscal impact for this agency for the provisions of this proposal.

Officials from the **University of Missouri (UM)** state this bill would only create a fiscal cost for the University if UM chooses to pay licensure costs for individuals in the covered licensed professions/occupations (including the fingerprint costs associated with the bill).

Oversight assumes the University would not incur significant costs if it chooses to cover the cost of background checks for potential employees and the cost would be absorbable within the current funding levels of the University. Therefore, Oversight will present no fiscal impact to the University.

Officials from the **Office of Attorney General (AGO)** assume any potential litigation costs arising from this proposal can be absorbed with existing resources. The AGO may seek additional appropriations if the proposal results in a significant increase in litigation or investigation costs.

Officials from the **Missouri Lottery Commission (Lottery or Commission)** state the proposal appears to remove §43.543 which states Lottery along with other agencies shall submit fingerprints to the MHP to check a person's criminal history. Other agencies are specifically added to the draft legislation but the Lottery is not. However, 313.220 provides the following:

2. The commission shall have the authority to require a fingerprint background check on any person seeking employment or employed by the commission, any person seeking contract with or contracted to the commission and any person seeking license from or licensed by the commission. The background check shall include a check of the Missouri criminal records repository and when the commission deems it necessary to perform a nationwide criminal history check, a check of the Federal Bureau of Investigation's criminal records file. Fingerprints shall be submitted to the Missouri criminal records repository as required. Notwithstanding the provisions of §610.120, the commission shall have access to closed criminal history information when fingerprints are submitted. The commission shall not prohibit a person from participating in the sale of lottery tickets solely on the basis of the person being found guilty of any criminal offense; except that, the person shall not be eligible to be a licensed lottery game retailer under subsection 2 of section 313.260.

Therefore, the Lottery assumes the proposal will have no fiscal impact on their organization.

Oversight has no information to the contrary. Therefore, Oversight will present no fiscal impact for this proposal as provided by the Lottery.

In response similar legislation from the prior year (HCS HB 1800), officials from the **Office of the State Courts Administrator** stated there may be some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

Oversight notes the following: "The office of state courts administrator may require that fingerprint submissions be made as part of the application of certification as a qualified interpreter..." and "The Missouri supreme court may require that fingerprint submissions be

made as part of an application of licensure for admission or reinstatement to the Missouri Bar in order to engage in the practice of law or law business...”.

For purposes of this fiscal note, **Oversight** assumes OSCA will not pay the cost of fingerprint-based criminal history background checks rather the applicant would, if required. Therefore, Oversight will not show a fiscal impact to OSCA.

Officials from the **Office of Administration - Administrative Hearing Commission**, the **Department of Commerce and Insurance**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Public Safety (DPS)**, **Divisions of: Alcohol and Tobacco Control, Capitol Police, Fire Safety, Director’s Office, Missouri Gaming Commission** and the **Missouri Veterans Commission**, the **Department of Social Services**, the **Missouri Department of Conservation**, the **Missouri Department of Transportation**, the **Office of the State Public Defender**, the **Office of the State Treasurer**, the **City of Kansas City**, the **Phelps County Sheriff’s Department**, the **Branson Police Department**, the **Kansas City Police Department**, the **St. Louis County Police Department**, **Northwest Missouri State University**, the **University of Central Missouri**, the **Missouri Consolidated Health Care Plan** and the **Missouri Office of Prosecution Services** 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 cities, various county officials, nursing homes, sheriffs and police, schools, hospitals, colleges and universities and solid waste management districts 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>Costs – DOR (§301.155) p.3-6</u>	\$0 to...	\$0 to...	\$0 to...
Personal service	(\$77,412)	(\$94,752)	(\$96,647)
Fringe benefits	(\$57,347)	(\$69,561)	(\$70,320)
Equipment and expense	(\$20,990)	\$0	\$0
Contract programming costs	(\$67,318)	\$0	\$0
Total Costs - DOR	(\$223,067)	(\$164,313)	(\$166,967)
FTE Change - DOR	0 to 2 FTE	0 to 2 FTE	0 to 2 FTE
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>\$0 to</u> <u>(\$223,067)</u>	<u>\$0 to</u> <u>(\$164,313)</u>	<u>\$0 to</u> <u>(\$166,967)</u>
Estimated Net FTE Change on the General Revenue Fund	0 to 2 FTE	0 to 2 FTE	0 to 2 FTE
CRIMINAL RECORDS SYSTEM FUND (0671)			
<u>Income – MHP (§301.155) – fingerprint background check fees p. 6</u>	\$0 to Could exceed \$176,000	\$0 to Could exceed \$176,000	\$0 to Could exceed \$176,000
ESTIMATED NET EFFECT ON THE CRIMINAL RECORDS SYSTEM FUND	<u>\$0 to Could</u> <u>exceed</u> <u>\$176,000</u>	<u>\$0 to Could</u> <u>exceed</u> <u>\$176,000</u>	<u>\$0 to Could</u> <u>exceed</u> <u>\$176,000</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

This proposal will impact small businesses that are required to have background checks performed before receiving licenses to operate. In addition, should any new or existing small businesses be unable to pass the state or federal criminal record check, they would be unable to do business in Missouri. (§301.155)

FISCAL DESCRIPTION

This bill modifies provisions related to criminal background checks.

The bill provides that the specified entities may require applicants seeking various licenses or permits to submit fingerprints to the Missouri State Highway Patrol for the purpose of undergoing state and federal criminal background checks.

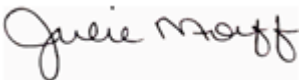
The fingerprints and any required fees will be sent to the MSHP central repository and will be forwarded to the Federal Bureau of Investigation. The MSHP will notify the respective agency, board, or other oversight body of their applicants' criminal history or lack thereof.

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
Office of Administration - Administrative Hearing Commission
Department of Commerce and Insurance
Department of Elementary and Secondary Education
Department of Higher Education and Workforce Development
Department of Health and Senior Services
Department of Mental Health
Department of Natural Resources
Department of Corrections
Department of Revenue
Department of Public Safety –
 Alcohol and Tobacco Control
 Capitol Police
 Fire Safety
 Director's Office
 Missouri Gaming Commission
 Missouri Highway Patrol
 Missouri Veterans Commission

Department of Social Services
Missouri Department of Conservation
Missouri Department of Transportation
Office of the Secretary of State
Office of the State Public Defender
Office of the State Treasurer
University of Missouri
City of Kansas City
Phelps County Sheriff
Branson Police Department
Kansas City Police Department
Springfield Police Department
St. Louis County Police Department
Northwest Missouri State University
University of Central Missouri
Joint Committee on Administrative Rules
Missouri Lottery
Missouri Consolidated Health Care Plan
Missouri Office of Prosecution Services
Office of the State Courts Administrator



Julie Morff
Director
March 4, 2025



Jessica Harris
Assistant Director
March 4, 2025