

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4294H.02C
 Bill No.: HCS for HB Nos. 1838, 1692, 1695, 1983, 2036, 2662 & 2743
 Subject: Motor Vehicles; Agriculture; Roads and Highways
 Type: Original
 Date: February 2, 2026

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue	(\$121,250)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$121,250)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Highway Fund (1644)	(\$536,500)	(\$740,000)	(\$740,000)
Highway Patrol Inspection Fund (1297)	(\$185,000)	(\$370,000)	(\$370,000)
Total Estimated Net Effect on Other State Funds	(\$721,500)	(\$1,110,000)	(\$1,110,000)

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
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 2027	FY 2028	FY 2029
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§301.020, 301.074, 301.132, 301.147, 301.190, 301.443, 307.350, 307.375, 307.380 & 643.315
– Motor Vehicle Safety Inspections

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

Administrative Impact

To implement the proposed provisions of this bill the MVB would be required to:

- Update procedures, manuals, Department website, and correspondence letters
- Update systems to remove safety inspection requirements for most vehicle registrations
- Update systems to account for changes in conditional exemption from emissions inspections
- Send communications to stakeholders as applicable

FY 2027 – Motor Vehicle Bureau

Associate Research/Data Analyst 186 hrs. @ \$31.16/hr. = \$5,796

Research/Data Analyst 47 hrs. @ \$37.14/hr. = \$1,746

Administrative Manager 24 hrs. @ \$51.40/hr. = \$1,234

FY 2027 – Systems Analysis & Support

Associate Research/Data Analyst 372 hrs. @ \$31.16/hr. = \$11,592

Research/Data Analyst 93 hrs. @ \$37.14/hr. = \$3,454

Administrative Manager 47 hrs. @ \$51.40/hr. = \$2,416

FY 2027 – Strategy & Communications Office

Associate Research/Data Analyst 120 hrs. @ \$31.16/hr. = \$3,739

Research/Data Analyst 50 hrs. @ \$37.14/hr. = \$1,857

Total = \$31,834

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.

FUSION Impact

DOR notes: Implementation: 100 hours @ \$225/hr. = \$22,500

Testing: 100 hours @ \$225/hr. = \$22,500

Total = **\$45,000**

DOR notes OA-ITSD services will be required at a cost of **\$76,250** in FY 2027 (726.19 hours x \$105 per hour).

Note that this would require additional direct access functionality so that MSHP can notate in FUSION when a vehicle is damaged badly enough in an accident that it needs the safety inspection.

The fiscal impact estimated above is based on changes in the current Department's Motor Vehicle and Driver Licensing 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.

Oversight does not have any information to the contrary in regards to DOR's assumptions; therefore, Oversight will reflect DOR's OA-ITSD and FUSION costs on the fiscal note.

Officials from the **Missouri Highway Patrol (MHP)** assume current statutes fund the administration of safety inspections through the charging of a fee of \$1.50 to purchase an inspection sticker/authority to apply to a vehicle which passed the inspection.

The deposit of fees collected is broken up with \$1.00 going to Highway Fund (1644) and \$.50 going to Highway Patrol Inspection Fund (1297).

The estimated number of safety inspections annually is 740,000.

$740,000 \times \$1.00 = \$740,000$ - Highway Fund (1644)

$740,000 \times \$0.50 = \$370,000$ - Highway Patrol Inspection Fund (1297)

If this legislation is enacted, there would be a one-time cost of fully refunding safety inspection stations for their inventory of safety inspection sticker/authorities. This is calculated by estimating the statewide inventory of stickers/authorities and multiplying by the \$1.50 that would be reimbursed. The statewide inventory in stations at a given time is estimated to be 15% of their annual supply. In Section 8.185, the Patrol currently has spending authority for \$100,000 for the refund of unused stickers. If enacted, the Patrol would need additional spending authority for these refunds. The Patrol assumes this would be an expenditure for only one fiscal year.

$740,000 \times .15 (15\%) \times \$1.50 = \text{Total } \$166,500$ - Highway Fund (1644)

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

Officials from the **Department of Natural Resources (DNR)** assume the elimination of the safety inspection for all vehicles other than commercial vehicles at §307.350.1 would require a conforming amendment to the state rule for emission inspections in the St. Louis area (10 CSR 10-5.381). The department estimates the time required for the rulemaking would be 300 hours for an Environmental Program Analyst to draft the rule amendment and take it through the administrative rulemaking process. This would be a one-time cost to department of \$10,644 (35.48/per hour - \$73,788 annually (\$67,080 base pay plus \$6,708 time of service pay)), (fringe and indirect not included). The department anticipates being able to absorb these costs. However, until the FY 2027 budget is final, the department cannot identify specific funding sources. Absorbing these costs would divert resources from other priorities and core assignments of department team members.

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.

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 for this agency.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (6 Mo.)	FY 2028	FY 2029
GENERAL REVENUE			
<u>Cost – DOR (§§301.020 – 643.315)</u> OA-ITSD p.4	(\$76,250)	\$0	\$0
<u>Cost – DOR (§§301.020 – 643.315) –</u> FUSION p.4	(\$45,000)	\$0	\$0
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$121,250)</u>	<u>\$0</u>	<u>\$0</u>
HIGHWAY FUND (1644)			
<u>Revenue Loss (§§301.020 – 643.315) –</u> MHP – decrease in motor vehicle inspections p.4	(\$370,000)	(\$740,000)	(\$740,000)

<u>FISCAL IMPACT – State Government</u>	FY 2027 (6 Mo.)	FY 2028	FY 2029
<u>Cost</u> (§§301.020 – 643.315) – MHP – reimbursement of inspection stickers p.4	<u>(\$166,500)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE HIGHWAY FUND	<u>(\$536,500)</u>	<u>(\$740,000)</u>	<u>(\$740,000)</u>
HIGHWAY PATROL INSPECTION FUND (1297)			
<u>Revenue Loss</u> (§§301.020 – 643.315) – MHP – decrease in motor vehicle inspections p.4	<u>(\$185,000)</u>	<u>(\$370,000)</u>	<u>(\$370,000)</u>
ESTIMATED NET EFFECT ON THE HIGHWAY PATROL INSPECTION FUND	<u>(\$185,000)</u>	<u>(\$370,000)</u>	<u>(\$370,000)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

Small farming businesses and motor vehicle safety inspection businesses could be impacted as a result of this proposal.

FISCAL DESCRIPTION

Currently, most motor vehicles must receive a safety inspection every two years, within 60 days of vehicle registration. Used vehicles must be inspected immediately before they are sold. Beginning January 1, 2027, this bill removes the safety inspection registration requirement for noncommercial motor vehicles and commercial motor vehicles used for farm purposes that travel less than 100 miles per year, except that prior salvage vehicles immediately following a rebuilding process must still be inspected.

The bill removes the safety inspection requirement on used cars immediately prior to sale.

Currently, when an application is made for an original Missouri certificate of ownership for a vehicle previously registered or titled in another state or when necessary for vehicle registration as specified in Section 301.020, RSMo, a vehicle must be inspected to certify its manufacturer's identification number is correctly displayed and to certify the odometer reading at the time of inspection.

The bill authorizes employees of licensed new or used motor vehicle dealers to perform such inspections and collect the same fee as other authorized inspection stations.

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

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