

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5086H.011
Bill No.: HB 1695
Subject: Motor Vehicles; Licenses - Motor Vehicle; Highway Patrol; Roads and Highways
Type: Original
Date: January 14, 2026

Bill Summary: This proposal modifies motor vehicle safety inspection requirements.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue	(\$149,146)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$149,146)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Highway Fund (1644)	(\$415,600)	(\$579,200)	(\$579,200)
Highway Patrol Inspection Fund (1297)	(\$140,000)	(\$280,000)	(\$280,000)
Total Estimated Net Effect on Other State Funds	(\$555,600)	(\$859,200)	(\$859,200)

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

Oversight has requested additional information from the Department of Public Safety - Missouri Highway Patrol. Oversight has presented this fiscal note on the best current information that we have. Upon the receipt of additional information, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

§§301.020, 301.074, 301.132, 301.147, 301.190, 301.443, 307.350, 307.375 & 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 – 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 = \$23,058

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:

Development: 100 hrs. @ \$225/hr. = \$22,500
Testing: 100 hrs. @ \$225/hr. = \$22,500
Total = **\$45,000**

DOR notes that this would require additional Direct Access functionality so that the Missouri Highway Patrol can notate in FUSION when a vehicle is damaged badly enough in an accident that it needs the safety inspection.

DOR notes OA-ITSD services will be required at a cost of **\$104,146** in FY 2027 (991.87 hours x \$105 per hour).

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 (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 information to the contrary and therefore, Oversight will reflect the FUSION and OA-ITSD estimates as provided by DOR.

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

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 distributed as follows: \$1.00 going to the Highway Fund (1644) and \$.50 going to the Highway Patrol Inspection Fund (1297). The estimated number of safety inspections annually is 560,000.

$560,000 \times \$1.00 = \$560,000$ - Highway Fund (1644)
 $560,000 \times \$0.50 = \$280,000$ - Highway Patrol Inspection Fund (1297)

If this proposal 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.

$560,000 \times .15 (15\%) \times \$1.50 = \text{Total } \$126,000$ - Highway Fund (1644)

If this proposal is enacted, there would be an annual cost of providing forms to inspection stations for the purposes of filling out an IDentification Number and ODometer Verification (ID/OD). Currently, the cost of that form is absorbed by the state through funding generated from the safety inspection sticker sales. The cost of that triplicate form is currently \$0.12 and has increased approximately 100% in the last four years.

Currently, a safety inspection also serves as an ID/OD, so the elimination of safety inspections will result in more ID/ODs to be supported. An estimate has been requested from the Department of Revenue on how much of an increase this would be but has not yet been provided.

For this estimate, MHP will use 500,000 annually. An electronic version of an ID/OD report is currently provided complimentary in locations using a vendor sourced safety inspection application (electronic technology). The Highway Patrol Inspection Fund (1297) would not be available if this proposal is enacted. To calculate the fiscal impact of providing the form to inspection stations for the purpose of reporting ID/OD inspections, the number of estimated annual ID/OD inspections is multiplied by \$0.12.

160,000 estimated annual ID/OD inspections x \$0.12 = Total \$19,200 - Highway Fund (1644)

Oversight will show the impact as estimated by the MHP.

Officials from the **Department of Natural Resources (DNR)** assume the following regarding this proposal:

The bill seeks to eliminate the safety inspection requirement for most non-commercial vehicles registered in the state, but the bill does not eliminate the emission inspections for these vehicles required in the St. Louis area under the Gateway Vehicle Inspection Program (GVIP). The state rule for the emission inspection program (10 CSR 10-5.381) includes numerous references to the safety inspection and safety inspectors. As such, the bill will require the department to amend the state rule to remove or replace these references to the safety inspection. The team member's time needed to develop the rulemaking to remove or replace the references to the safety inspection is estimated at 350 hours for an Environmental Program Specialist position. At \$41.55/hour, this would be a one-time cost to department of \$14,543. The department anticipates being able to absorb these costs. However, until the FY 2027 budget is final, the department cannot identify specific funding sources.

Summary of Impact

FY 2027: \$14,543 - The department anticipates being able to absorb these costs. However, until the FY 2027 budget is final, the department cannot identify specific funding sources.

FY 2028 and beyond: \$0

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** defer to the Department of Revenue for the potential fiscal impact of this proposal.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (6 Mo.)	FY 2028	FY 2029
GENERAL REVENUE			
<u>Cost – DOR (§§301.020 – 643.315) FUSION p.3</u>	(\$45,000)	\$0	\$0
<u>Cost – DOR (§§301.020 – 643.315) OA-ITSD p.4</u>	(\$104,146)	\$0	\$0
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$149,146)</u>	<u>\$0</u>	<u>\$0</u>
HIGHWAY FUND (1644)			
<u>Revenue Loss – MHP (§§301.020 – 643.315) Motor vehicle inspections no longer required p.4</u>	(\$280,000)	(\$560,000)	(\$560,000)
<u>Cost – MHP (§§301.020 – 643.315) Reimburse safety inspection stations for unused inventory of safety inspection stickers p.4</u>	(\$126,000)	\$0	\$0
<u>Cost – MHP (§§301.020 – 643.315) Forms to safety inspection stations to provide ID/OD information p.5</u>	(\$9,600)	(\$19,200)	(\$19,200)
ESTIMATED NET EFFECT ON THE HIGHWAY FUND (1644)	<u>(\$415,600)</u>	<u>(\$579,200)</u>	<u>(\$579,200)</u>
HIGHWAY PATROL INSPECTION FUND (1297)			

<u>FISCAL IMPACT – State Government</u>	FY 2027 (6 Mo.)	FY 2028	FY 2029
Revenue Loss – MHP (§§301.020 – 643.315) Motor vehicle inspections no longer required p.4	<u>(\$140,000)</u>	<u>(\$280,000)</u>	<u>(\$280,000)</u>
ESTIMATED NET EFFECT ON THE HIGHWAY PATROL INSPECTION FUND (1297)	<u>(\$140,000)</u>	<u>(\$280,000)</u>	<u>(\$280,000)</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

Motor vehicle safety inspection stations will be impacted as a result of this proposal.

FISCAL DESCRIPTION

This proposal modifies motor vehicle safety inspection requirements.

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
 Department of Natural Resources



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 Director
 January 14, 2026



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 Assistant Director
 January 14, 2026