

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6089H.03P
 Bill No.: Perfected HCS for HB 2741
 Subject: Motor Vehicles; Motor Carriers; Licenses - Driver's
 Type: Original
 Date: April 9, 2026

Bill Summary: This proposal modifies commercial driver's license requirements for foreign applicants.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

| FUND AFFECTED | FY 2027 | FY 2028 | FY 2029 | Fully Implemented (FY 2030) |
|--|------------------------------|-------------------------------|-------------------------------|-------------------------------|
| General Revenue* | (\$83,423 to Unknown) | (\$204,218 to Unknown) | (\$277,737 to Unknown) | (\$386,965 to Unknown) |
| Total Estimated Net Effect on General Revenue | (\$83,423 to Unknown) | (\$204,218 to Unknown) | (\$277,737 to Unknown) | (\$386,965 to Unknown) |

*DOC notes that current capacity will be met by July 2029 (FY 2030) or potentially much sooner. Therefore, Oversight has made the decision to reflect the marginal cost of incarceration up to an unknown cost if DOC needs to add staff and/or rehabilitate, expand or construct additional capacity. Oversight assumes the unknown cost has the potential to exceed \$250,000.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

| FUND AFFECTED | FY 2027 | FY 2028 | FY 2029 | Fully Implemented (FY 2030) |
|--|------------|------------|------------|-----------------------------|
| Total Estimated Net Effect on Other State Funds | \$0 | \$0 | \$0 | \$0 |

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

| FUND AFFECTED | FY 2027 | FY 2028 | FY 2029 | Fully Implemented (FY 2030) |
|---|------------|------------|------------|-----------------------------|
| | | | | |
| | | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 | \$0 |

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

| FUND AFFECTED | FY 2027 | FY 2028 | FY 2029 | Fully Implemented (FY 2030) |
|--|----------|----------|----------|-----------------------------|
| | | | | |
| | | | | |
| Total Estimated Net Effect on FTE | 0 | 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 | Fully Implemented (FY 2030) |
|-------------------------|------------|------------|------------|-----------------------------|
| | | | | |
| | | | | |
| Local Government | \$0 | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

§§302.733 & 302.735 – Uniform Commercial Driver’s License Act

In response to a previous version, officials from the **Office of the State Public Defender (SPD)** stated per the National Public Defense Workload Study, the new charges contemplated by the changes to Sections 302.733 and 302.735, would take approximately fourteen hours of SPD work for reasonably effective representation. If one hundred cases were filed under this section in a fiscal year, representation would result in a need for an additional attorney. Because the number of cases that will be filed under this statute is unknown, the exact additional number of attorneys necessary is unknown. Each case would also result in unknown increased costs in the need for core staff, travel, and litigation expenses. However, if the charge was classified as a class D misdemeanor no jail time would be authorized and the cases would not qualify for SPD representation.

Oversight assumes this proposal will create a minimal number of new cases and that the SPD can absorb the additional caseload required by this proposal with current staff and resources. Therefore, Oversight will reflect no fiscal impact to the SPD for fiscal note purposes. However, if multiple bills pass which require additional staffing and duties, the SPD may request funding through the appropriation process.

In response to a previous version, officials from the **Office of the State Courts Administrator, Kansas City Police Department, and St. Louis County Police Department** each assumed the proposal will have no fiscal impact on their respective organizations.

Oversight notes that the above-mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

Oversight notes a violation of the provisions of this proposal results in a misdemeanor or felony charge which carries a fine in addition to any individual county/municipal fees and court costs. The fine revenue for the ticket goes to local school funds and court costs go to various state and local funds. Oversight assumes there will be some (less than \$250,000) amount of fine revenue from violations of the statute. For simplicity, Oversight will not reflect the increased revenue from fines and court costs to various state funds and local political subdivisions.

Below are examples of some of the state and local funds which court costs are distributed to.

| | Fee Amount |
|---|-------------------------------------|
| Basic Civil Legal Services Fund | \$8.00 |
| Clerk Fee | \$15.00 (\$12 State/\$3 County) |
| County Fee | \$25.00 |
| State Court Automation Fund | \$7.00 |
| Crime Victims' Compensation Fund | \$7.50 |
| DNA Profiling Analysis Fund | \$15.00 |
| Peace Officer Standards and Training (POST) Fund | \$1.00 |
| Motorcycle Safety Trust Fund | \$1.00 |
| Brain Injury Fund | \$2.00 |
| Independent Living Center Fund | \$1.00 |
| Sheriff's Fee | \$10.00 (County) |
| Prosecuting Attorney and Circuit Attorney Training Fund | \$5.00 |
| Prosecuting Attorney Training Fund | \$5.00 (\$2.50 State/\$2.50 County) |
| Spinal Cord Injury Fund | \$2.00 |

§§302.738 & 302.739 – Penalty Provisions (HA 1)

Officials from the **Department of Corrections (DOC)** assume Section 302.733 is created, in which the offense of operating a commercial motor vehicle without sufficient English language proficiency is created. The penalty is a class D misdemeanor for a first offense and a class B misdemeanor for a second or subsequent offense.

HA 1 amends this section, adding a class D felony for a third or subsequent offense. It also creates Section 302.738, which creates the offense of unlawful commercial motor vehicle operation within this state while not authorized under applicable federal law to engage in employment as a commercial motor vehicle operator within the United States. The penalty is a class D misdemeanor for a first offense, a class B misdemeanor for a second offense, and a class D felony for a third or subsequent offense. It also makes any violation of this section that is discovered after a major violation of traffic law punishable as a class D felony.

As misdemeanors fall outside the purview of DOC, there is no impact to DOC for the offenses resulting in class D misdemeanors or class B misdemeanors. The offenses resulting in class D felonies would be considered new crimes.

As there is little direct data on which to base an estimate, the department estimates an impact comparable to the creation of three new class D felonies.

For each new nonviolent class D felony, the department estimates three people could be sentenced to prison and five to probation. The average sentence for a nonviolent class D felony offense is 5 years with 1.7 years served in prison prior to first release. Probation sentences will be 3 years.

The cumulative impact on the department is estimated to be 24 additional offenders in prison and 57 additional offenders on field supervision by FY 2030.

| | # to prison | Cost per year | Total Costs for prison | Change in probation & parole officers | Total cost for probation and parole | # to probation & parole | Grand Total - Prison and Probation (includes 2% inflation) |
|---------|----------------|------------------|---------------------------|--|---|-------------------------------|--|
| Year 1 | 9 | (\$11,123) | \$ 83,423 | 0 | \$0 | 15 | \$ 83,423 |
| Year 2 | 18 | (\$11,123) | \$ 204,218 | 0 | \$0 | 30 | \$ 204,218 |
| Year 3 | 24 | (\$11,123) | \$ 277,737 | 0 | \$0 | 48 | \$ 277,737 |
| Year 4 | 24 | (\$11,123) | \$ 283,292 | 1 | \$103,674 | 57 | \$ 386,965 |
| Year 5 | 24 | (\$11,123) | \$ 288,957 | 1 | \$96,001 | 66 | \$ 384,959 |
| Year 6 | 24 | (\$11,123) | \$ 294,737 | 1 | \$97,019 | 66 | \$ 391,756 |
| Year 7 | 24 | (\$11,123) | \$ 300,631 | 1 | \$98,047 | 66 | \$ 398,679 |
| Year 8 | 24 | (\$11,123) | \$ 306,644 | 1 | \$99,089 | 66 | \$ 405,733 |
| Year 9 | 24 | (\$11,123) | \$ 12,777 | 1 | \$100,142 | 66 | \$ 12,919 |
| Year 10 | 24 | (\$11,123) | \$ 319,032 | 1 | \$101,206 | 66 | \$ 420,238 |

The department will assume a marginal cost (multiplied by number of offenders) for any projected increase or decrease in the incarcerated population. Marginal cost is \$30.47 per day or an annual cost of \$11,123 per offender which includes costs such as medical, food, wages and operational E&E. The unknown amount is a result of the uncertainty in the growth of the underlying offender population. The impact of any new legislation combined with the growth of the underlying population could result in the tiered approach below in order to meet the population demands.

1. Fully staffing the current capacity (27,368), which is habitable, but DOC does not have the staffing resources for all bed space.
2. Rehabilitating current space that is not currently habitable and obtaining staffing resources for that space (requires capital improvements).
3. Expanding new capacity by adding housing units or wings to existing prisons and obtaining staffing resources for that space (requires capital improvements).
4. Constructing a new prison and obtaining staffing resources. Based on current construction projects in other Midwest states, the department estimates the cost of constructing a new 1,500-bed maximum security prison at approximately \$825 million to \$900 million plus annual operating costs of approximately \$50 million (requires capital improvements).

The department's population projections indicate current physical capacity will be met by July 2029; however recent trends indicate that capacity could be met much sooner. Should new construction be the result of the increasing offender population, the full cost per day per offender

would be used which is \$106.96 or an annual cost of \$39,040. This includes all items in the marginal cost calculation plus fringe, personal service, utilities, etc.

DOC's cost of probation or parole is determined by the number of P&P Officer II positions that are needed to cover its caseload. The DOC average district caseload across the state is 51 offender cases per officer. An increase/decrease of 51 cases would result in a cost/cost avoidance equal to the salary, fringe, and equipment and expenses of one P&P Officer II. Increases/decreases smaller than 51 offender cases are assumed to be absorbable.

In instances where the proposed legislation would only affect a specific caseload, such as sex offenders, the DOC will use the average caseload figure for that specific type of offender to calculate cost increases/decreases.

* If this impact statement has changed from statements submitted in previous years, it could be due to an increase/decrease in the number of offenders, a change in the cost per day for institutional offenders, and/or an increase in staff salaries.

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

In response to similar legislation, HCS for HB 3491 (2026), officials from the **Office of the State Public Defender (SPD)** stated per the National Public Defense Workload Study, the new charge contemplated by the change to Section 302.738 would take approximately twenty-two hours of SPD work for reasonably effective representation. If one hundred cases were filed under this section in a fiscal year, representation would result in a need for an additional attorney. Because the number of cases that will be filed under this statute is unknown, the exact additional number of attorneys necessary is unknown. Each case would also result in unknown increased costs in the need for core staff, travel and litigation expenses. However, if the charge was classified as a class D misdemeanor no jail time would be authorized and the cases would not qualify for SPD representation.

Oversight notes House Amendment 1 classifies a first offense as a class D misdemeanor, a second offense a class B misdemeanor, and a third offense as a class D felony; therefore, Oversight will not reflect a fiscal impact to the SPD.

In response to similar legislation, HCS for HB 3491 (2026), officials from the **Office of the State Courts Administrator, Kansas City Police Department** and **St. Louis County Police Department** each assumed the proposal would 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.

Responses regarding the proposed legislation as a whole

Officials from the **Department of Revenue, Missouri Office of Prosecution Services, Missouri Department of Transportation, Department of Public Safety-Missouri Highway Patrol, Phelps County Sheriff, and Branson Police Department** 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 in the fiscal note for this agency.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other local law enforcement agencies were requested to respond to this proposed legislation but did not. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note. A general listing of political subdivisions included in our database is available upon request.

| <u>FISCAL IMPACT – State Government</u> | FY 2027 (10 Mo.) | FY 2028 | FY 2029 | Fully Implemented (FY 2030) |
|---|-------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| GENERAL REVENUE | | | | |
| <u>Cost – DOC (§§302.733 & 302.738) Incarceration and probation/parole (HA 1) p.4-6</u> | (\$83,423 to <u>Unknown</u>) | (\$204,218 to <u>Unknown</u>) | (\$277,737 to <u>Unknown</u>) | (\$386,965 to <u>Unknown</u>) |
| ESTIMATED NET EFFECT ON GENERAL REVENUE | (\$83,423 to <u>Unknown</u>) | (\$204,218 to <u>Unknown</u>) | (\$277,737 to <u>Unknown</u>) | (\$386,965 to <u>Unknown</u>) |

| <u>FISCAL IMPACT – Local Government</u> | FY 2027 (10 Mo.) | FY 2028 | FY 2029 | Fully Implemented (FY 2030) |
|---|---------------------|------------|------------|--------------------------------|
| | | | | |
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

FISCAL IMPACT – Small Business

Small businesses that utilize commercial motor vehicles could be impacted as a result of this proposal.

FISCAL DESCRIPTION

This proposal modifies commercial driver's license requirements for foreign applicants.

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 Department of Transportation
Office of the State Courts Administrator
Office of the State Public Defender
Missouri Highway Patrol
Phelps County Sheriff
Kansas City Police Department
Branson Police Department
St. Louis County Police Department



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