

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6357H.011  
 Bill No.: HB 2589  
 Subject: Department of Revenue; Licenses - Motor Vehicle; Motor Vehicles; Roads and Highways  
 Type: Original  
 Date: April 14, 2026

Bill Summary: This proposal requires one license plate instead of two on non-commercial motor vehicles licensed in the state.

**FISCAL SUMMARY**

**ESTIMATED NET EFFECT ON GENERAL REVENUE FUND**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue	\$2,879,228	\$2,913,981	\$2,912,752
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$2,879,228</b>	<b>\$2,913,981</b>	<b>\$2,912,752</b>

**ESTIMATED NET EFFECT ON OTHER STATE FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Highway Fund* (1644)	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
Working Capital Revolving Fund* (1510)	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Transfer In and Out net to zero.

Numbers within parentheses: () indicate costs or losses.

**ESTIMATED NET EFFECT ON FEDERAL FUNDS**

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

**ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue	1 FTE	1 FTE	1 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>1 FTE</b>	<b>1 FTE</b>	<b>1 FTE</b>

- 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
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §§301.064, 301.120 & 301.130 – Motor Vehicle License Plates

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

#### *Administrative Impact*

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

- Update procedures, correspondence letters, forms, and the Department website
- Send communications to license offices and the Missouri citizens
- Need an additional FTE
- Equipment for a new FTE
- Train staff

Beginning August 28, 2026, this proposal requires the Department of Revenue to issue one license plate and tab when an individual registers a motor vehicle. Certain vehicle owners will maintain the right to obtain two plates at an additional fee, as prescribed in §301.130.3.

License offices store all surrendered license plates and expired inventory in a secure location during business hours, and in a secure, locked area protected by a security camera after business hours. Due to limited office space, a license office may incur complications by storing an influx of surrendered license plates when vehicle owners renew. Based on fiscal years 2024 and 2025 and the average number of inventory ordered, DOR can estimate 1,700,000 million plates would need to be surrendered from the current inventory within the license offices, the Department's distribution center, and Missouri Vocational Enterprise (MVE) due to previous manufacturing of the license plates. The department anticipates there will be an estimated 3 million plates per calendar year that will be surrendered by Missouri citizens during their next renewal period.

With an increase in plates needing destroyed, the department will need one additional FTE to process the surrendered plates transactions. Once the completion of this program and ensuring of all surrendered plates have occurred, the department will reallocate this FTE to perform in other duties as assigned.

FY 2027 - Motor Vehicle Bureau additional FTE cost

Associate Customer Service Representative \$42,952.80

Equipment costs for laptop, dock, and software \$1,253.60 each

Additional monitors needed 2 @ \$161.20 each

Cubicle, chair, calculator \$10,848.00 each

Phone \$169 each

Headset \$125 each

Total \$55,671

**Oversight** does not have information to the contrary and therefore, Oversight will reflect the estimates for 1 FTE as provided by DOR.

**DOR** notes:

FY 2027 – Motor Vehicle Bureau

Associate Research/Data Analyst 546 hrs. @ \$31.16 per hr. = \$17,013

Research/Data Analyst 137 hrs. @ \$37.14 per hr. = \$5,088

Administrative Manager 69 hrs. @ \$51.40 per hr. = \$3,546

FY 2027 – Strategy and Communications Office

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

Total Costs = \$85,057

**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: 160 hours of development and testing @ \$225/hr. = **\$36,000**

To implement this bill in FUSION, MVB anticipates the following development tasks will need to occur:

- Update registration attributes to only allow 1 plate in all circumstances
- Update interface to track single plate/single tab orders that previously allowed 2
- Update inventory reports
- No updating of fees is required since fees are not directly tied to number of plates.
- Disable 3rd plate transactions
- DOR to update training materials and website content outside of eservices. Other communication as needed

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 estimates as provided by DOR.

### Revenue Impact

#### **DOR** notes:

#### License Plate and Tab Cost

Passenger and light weight trucks are currently issued two license plates per registration. Motorcycle, motortricycle, trailers, and heavy weight trucks are currently issued one license plate per registration. The current cost per embossed plates is \$2.60 and the cost per flat plate is \$4.50. Current cost for a set of tabs is \$0.30 and the cost of a single tab is \$0.15. The department anticipates this having an impact on sets of plates and tabs in stock and ordered through fiscal year 2026 and part of 2027.

#### Stock Plates (Embossed Plates)

- MVE estimates the cost per plate and tab to increase upon passage of this legislation but is unable to determine that cost at this time.
- The department orders, on average, 1,800,000 plates per fiscal year at a cost of \$4,680,000
- This legislation could result in a reduction of 900,000 embossed plates ordered

#### Personalized and Specialty Plates (Flat Plates)

- MVE estimates the cost per plate and tab to increase upon passage of this legislation but is unable to determine that cost at this time.
- The department orders, on average, 103,000 flat plates per fiscal year at a cost of \$463,500
- This legislation could result in a reduction of 51,500 flat plates ordered

#### Tabs

- The department orders, on average, 2,800,000 double tabs (5,600,000 individual tabs) per fiscal year at a cost of \$420,000
- This legislation could result in a reduction of 2,800,000 individual tabs ordered

Note: The Department currently has an inventory of plates and tabs for the years 2025, 2026, and 2027 in stock at license offices across the state and in storage. Under this proposal, the Department will need to destroy inventory.

Additionally, MVE is in the process of purchasing new equipment for the manufacturing of plates. The Department cannot accurately determine the cost reduction at this time due to aluminum, sheeting, and equipment cost increases.

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

Officials from the **Department of Corrections (DOC)** assume there could be a loss of income for Missouri Vocational Enterprises due to the fewer number of plates produced and change in economies of scale. This could impact the Working Capital Revolving Fund (fund 1510).

**Oversight** notes, in response to similar legislation, HB 2804 (2024), DOC assumed manufacturing costs for one plate will be greater on a per-plate basis than for two plates. The volume of raw materials will decrease, which will likely increase the cost of aluminum, plate sheeting, and tab material. In addition, the manufacturing process will not be changed, the amount of equipment will remain the same, staffing will not decrease, and deliveries will still be necessary to all fee offices. MVE is reimbursed by the DOR for manufacturing costs and operates using the Working Capital Revolving Fund, not General Revenue Funds.

Oversight is unable to determine if DOC's costs will decrease or increase; therefore, Oversight will range the fiscal impact from a positive "Unknown" savings (cost to manufacture license plates decreases) to a negative "Unknown" cost (cost to manufacture license plates increases) on the fiscal note.

**DOR** noted in 2024, the transfer of funds to DOC for reimbursement of manufacturing license plates mostly comes from the Highway Fund to the Working Capital Revolving Fund. Once Highway Fund collections are expended for the fiscal year, General Revenue funds are used to reimburse DOC. For simplicity purposes, Oversight will reflect the transfer from the Highway Fund to the Working Capital Revolving Fund on the fiscal note.

Officials from the **Department of Public Safety - Missouri Highway Patrol** 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.

Officials from the **Missouri Department of Transportation** defer to DOR for the potential fiscal impact of this proposal.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<b>GENERAL REVENUE</b>			
<u>Savings</u> – DOR (§§301.064, 301.120 & 301.130) Embossed plates p.5	\$2,340,000	\$2,340,000	\$2,340,000
<u>Savings</u> – DOR (§§301.064, 301.120 & 301.130) Flat plates p.5	\$231,750	\$231,750	\$231,750
<u>Savings</u> – DOR (§§301.064, 301.120 & 301.130) Tabs p.5	\$420,000	\$420,000	\$420,000
<u>Cost</u> – DOR (§§301.064, 301.120 & 301.130) FUSION p.4	(\$36,000)	\$0	\$0
<u>Cost</u> – DOR (§§301.064, 301.120 & 301.130) p.4			
Personal Service	(\$35,794)	(\$43,812)	(\$44,688)
Fringe Benefits	(\$28,010)	(\$33,957)	(\$34,310)
Expense and Equipment	(\$12,718)	\$0	\$0
<u>Total Costs</u> – DOR	<u>(\$76,522)</u>	<u>(\$77,769)</u>	<u>(\$78,998)</u>
FTE Change – DOR	1 FTE	1 FTE	1 FTE
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>\$2,879,228</u></b>	<b><u>\$2,913,981</u></b>	<b><u>\$2,912,752</u></b>
Estimated Net FTE Change on General Revenue	1 FTE	1 FTE	1 FTE
<b>HIGHWAY FUND (1644)</b>			
<u>Transfer Out</u> – DOR to DOC (MVE) (§§301.064, 301.120 & 301.130) Reimbursement of manufacturing costs for license plates p.6	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
<b>ESTIMATED NET EFFECT ON THE HIGHWAY FUND</b>	<b><u>Unknown to (Unknown)</u></b>	<b><u>Unknown to (Unknown)</u></b>	<b><u>Unknown to (Unknown)</u></b>

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<b>WORKING CAPITAL REVOLVING FUND (1510)</b>			
Transfer In - from DOR to DOC (MVE) (§§301.064, 301.120 & 301.130) Reimbursement of manufacturing costs for license plates p.6	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
<b>WORKING CAPITAL REVOLVING FUND</b>	<b>Unknown to (Unknown)</b>	<b>Unknown to (Unknown)</b>	<b>Unknown to (Unknown)</b>

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

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

Currently, most motor vehicles require license plates on the front and rear of the vehicle.

This bill removes the front license plate requirement for most motor vehicles, excluding non-school buses, trucks, tractors, truck tractors, and truck-tractors licensed in excess of 12,000 pounds.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Department of Revenue  
Department of Public Safety - Missouri Highway Patrol  
Department of Corrections  
Missouri Department of Transportation



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April 14, 2026



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