

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6404H.011
 Bill No.: HB 2951
 Subject: Taxation and Revenue - General; Motor Vehicles; Tax Credits; Taxation and Revenue - Sales and Use; Taxation and Revenue - Property; Business and Commerce; Licenses - Motor Vehicle; Property, Real and Personal
 Type: Original
 Date: January 20, 2026

Bill Summary: This proposal prohibits the act of registering a motor vehicle in another state with the intent to circumvent the titling and registration requirements of this state.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue*	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on General Revenue	(Unknown)	(Unknown)	(Unknown)

*Oversight assumes any costs to DOR will exceed \$250,000.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

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

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 was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency 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.

Officials from the **Department of Revenue** did not respond to **Oversight's** request for fiscal impact for this proposal.

§§301.010, 301.092, 301.093 & 301.094 – Motor Vehicle Registration

Officials from the **Department of Elementary and Secondary Education** and **Missouri Highway Patrol** 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 notes this proposal provides that the Department of Revenue (DOR) shall suspend the license of any Missouri resident who fails to comply with the provisions of this proposal until all taxes and fees or titling and registration are paid in full along with a \$500 penalty.

In addition, a Missouri resident who has been found to willfully make a false statement in regard to the purchase of a motor vehicle and willfully attempts to evade paying taxes and fees for the purchase of a motor vehicle shall be assessed a fine equal to 75% of the amount of the unpaid fees and taxes.

Oversight notes §301.094.6 states all revenues received from fines collected under this section for failing to properly title or register a motor vehicle shall be deposited into the county school fund and distributed as provided under section 166.131. 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 to various state funds and local political subdivisions.

Oversight notes that violations of this proposal could result in fines or penalties. Oversight also notes per Article IX Section 7 of the Missouri Constitution fines and penalties collected by counties are distributed to school districts. Fines vary widely from year to year and are distributed to the school district where the violation occurred. For simplicity, Oversight will not reflect the possibility that fine revenue paid to school districts may act as a subtraction in the foundation formula.

Oversight assumes DOR will incur costs to implement and enforce this proposal; however, DOR did not respond in time due to the short turnaround of this fiscal note request. Therefore, Oversight will reflect an “Unknown” cost to DOR. Oversight assumes the cost will exceed \$250,000. For fiscal note purposes, Oversight will reflect any costs to DOR and revenue associated with reinstatement fees to General Revenue.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
GENERAL REVENUE			
<u>Revenue Gain</u> – DOR (§§301.010 – 301.094) Reinstatement fees p.3	Unknown	Unknown	Unknown
<u>Cost</u> – DOR (§§301.010 – 301.094) Implement provisions of this proposal p.3	(Unknown)	(Unknown)	(Unknown)
ESTIMATE NET EFFECT ON GENERAL REVENUE	(Unknown)	(Unknown)	(Unknown)

<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

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

FISCAL DESCRIPTION

This bill defines "resident" and "residence address" in the context of motor vehicle registration and driver licensing. There will be a rebuttable presumption that a motor vehicle owned and operated by a resident with a residence address in the State will be subject to the State's titling and registration requirements, and the owner must pay all applicable fees and taxes for the motor vehicle.

The bill provides that it will be unlawful for a resident of the State with a residence address in the State to register a motor vehicle in another state with the intent to circumvent motor vehicle titling and registration requirements or to register a motor vehicle under a shell entity in another state to circumvent motor vehicle titling and registration requirements.

This bill specifies factors for consideration when determining whether a resident intended to circumvent titling and registration requirements by registering the motor vehicle in another state and specifies factors for consideration when determining whether an entity is a shell entity.

If the Department of Revenue determines a resident of the State has registered the motor vehicle in another state, has registered the vehicle under a shell entity in another state, or has willfully made a false statement in regard to the purchase of a motor vehicle, and the resident failed to register the motor vehicle requiring registration, the Department must notify the resident in writing that:

- (1) The resident is required to obtain a Missouri certificate of title and registration for the motor vehicle and pay all taxes and fees owed within 60 days;
- (2) Failure to pay such taxes will result in a \$500 penalty; and
- (3) If the resident fails to comply with (1) and (2) within the 60-day time frame, the resident's license will be suspended until all taxes and fees for registration and titling are paid in full.

A resident of this State who willfully makes a false statement about the purchase of a motor vehicle that is subject to fees and taxes for titling and registration in this State, or who willfully attempts to evade payment of related fees and taxes, is guilty of a fraudulent practice and will be assessed a fine equal to 75% of the amount of the unpaid fees and taxes and will be required to pay all applicable fees and taxes at the time the motor vehicle is titled and registered.

The Department of Revenue can use the motorist insurance identification database to identify and determine the ownership of any motor vehicle not properly titled and registered in this State as required by law.

If the Department determines the owner is not in compliance, the Department can impose a \$500 penalty on the owner. If the Department determines appropriate fees and taxes were not paid when a motor vehicle was purchased, the owner must pay all appropriate fees, taxes, and penalties to comply with Missouri law.

The Director can waive or reduce penalties imposed under the section related to willful false statements in registering motor vehicles upon making a record of the Department's actions and upon reasonable cause shown.

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

L.R. No. 6404H.011

Bill No. HB 2951

Page 6 of 6

January 20, 2026

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Missouri Highway Patrol



Julie Morff
Director
January 20, 2026



Jessica Harris
Assistant Director
January 20, 2026