

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 7087H.01I
Bill No.: HB 3316
Subject: Motor Vehicles
Type: Original
Date: March 10, 2026

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue	(\$18,000)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$18,000)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Conservation Commission Fund (1609)*	\$12,376,273	\$12,376,273	\$12,376,273
Parks, Soils and Water Fund (1613 & 1614)*	\$9,901,019	\$9,901,019	\$9,901,019
School District Trust Fund (1688)*	\$49,505,093	\$49,505,093	\$49,505,093
State Road Bond Fund (1319)*	\$148,515,280	\$148,515,280	\$148,515,280
State Road Fund (1320)*	\$198,020,373	\$198,020,373	\$198,020,373
Highway Fund (1644)	\$31,466,131	\$31,466,131	\$31,466,131
Missouri Air Emission Reduction Fund (1267)	\$0	(\$40,618)	\$0
Motor Vehicle Commission Fund (1588)	\$465,116	\$465,116	\$465,116
Total Estimated Net Effect on <u>Other</u> State Funds	\$450,249,285	\$450,208,667	\$450,249,285

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	\$475,836,587	\$475,836,587	\$475,836,587

FISCAL ANALYSIS

ASSUMPTION

Due to time constraints, **Oversight** was unable to receive some agency responses in a timely manner and performed limited analysis. Oversight has presented this fiscal note on the best current information that we have or on information regarding a similar bill(s). 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.

§§144.070, 301.010, 301.020, 301.030, 301.050, 301.055, 301.070, 301.110, 301.140, 301.142, 301.147, 301.190, 301.550, 301.560, 301.570, 302.170, 307.350 & 643.315 – Motor Vehicles

§144.070.10 – Vehicle Sales Tax for Out-of-State Residents

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

Administrative Impact

To implement the proposed language the Department will be required to:

- Update procedures, forms, training material, and the department's website
- Create correspondence for Missouri dealers and the public
- Train current staff

Revenue Impact

Over the last two fiscal years, the department has seen an average of 347,352 motor vehicle sales by Missouri motor vehicle dealers to a purchaser with an out of state address, with an average purchase price of \$29,086. The department projects a weighted average local tax rate of 4.7% in addition to the standard state tax rate of 4.225%, for a total projected sales tax rate of 8.925%. This calculates to \$901,699,914 in estimated taxes collected annually, including the 2% of the tax that will be retained by Missouri Dealers pursuant to §144.140.

Average annual sales and price: $347,352 * \$29,086 = \$10,103,080,272$

Total tax: $\$10,103,080,272 * 8.925\% = \$901,699,914$

2% retained by MO Dealers: $\$901,699,914 * 2\% = \$18,033,998$

$\$901,699,914 - \$18,033,998 = \$883,665,916$

Total: \$883,665,916 increase to the Highway Fund, city and county taxes collected annually

The Department estimates an increase of \$465,347,878 to local taxing jurisdictions, and \$418,318,039 in state motor vehicle sales taxes.

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

Oversight notes motor vehicle sales tax is distributed as follows:

State Road Bond Fund (1319)	1.500%
School District Trust Fund (1688)	0.500%
Conservation Commission Fund (1609)	0.125%
Parks, Soil and Water Fund (1613 & 1614)	0.100%
Funds Dedicated for Highway & Transportation Use*	2.000%

Funds Dedicated for Highway & Transportation Use are further broken down into the following:

State Road Fund (1320)	75%
Cities	15%
Counties	10%

§§301.010, 301.020, 301.030, 301.050 & 301.190 – Motor Vehicle Registration

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

Administrative Impact

To implement the proposed language the Department will be required to:

- Update procedures, charts, training material, and the department’s website
- Update legacy systems
- Train current staff

Revenue Impact

The Motor Vehicle Bureau currently assesses approximately 469,752 late renewal penalties of \$5 each year, to a total collected sum of \$2,348,760.

Under the proposed language, this penalty would start at \$25 upon the expiration of the vehicle’s registration and would increase by an additional \$25 each month, to a maximum of \$200. Out of the 469,752 late renewal accounts, the average elapsed time between the expiration of the vehicle’s registration and its renewal is 3 months. This information will be used to calculate the projected increase in collected revenue.

Penalties as currently assessed: $469,752 * \$5 = \$2,348,760$
Average penalties as proposed: $469,752 * (\$25 * 3) = \$35,231,400$
Difference: $\$35,231,400 - \$2,348,760 = \$32,882,640$

Total: \$32,882,640 increase annually to highway, city and county funds.

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

§§301.055 & 301.070 – Flat Registration Fees

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

Administrative Impact

To implement the proposed language the Department will be required to:

- Update procedures, forms, charts, training material, and the department’s website
- Create correspondence materials to inform the public
- Train current staff

Revenue Impact

Eliminating the current horsepower calculation chart for passenger vehicles in favor of a flat fee will result in an increase in collected registration funds for any passenger vehicle with a taxable horsepower (HP) of 35 or less. However, registration funds collected on passenger vehicles of 36 HP or greater will be reduced. As vehicles of 35 HP or less represent the majority of vehicle registrations, the department projects an increase in collected registration funds for passenger vehicles of \$5,236,216 annually. The following table calculates the impacts across all horsepower classes, with the \$0.25 railroad crossing fee excluded from calculation.

Horsepower (HP)	Registered by HP	Current Annual Registration	Proposed Annual Registration	Difference
Under 12 HP	49,767	\$895,806	\$1,231,733	\$335,927
12-23 HP/Electric/LSV	2,044,999	\$42,944,979	\$50,613,725	\$7,668,746
24-35 HP	1,374,814	\$32,995,536	\$34,026,647	\$1,031,111
36-47 HP	235,362	\$7,766,946	\$5,825,210	(\$1,941,737)
48-59 HP	123,451	\$4,814,589	\$3,055,412	(\$1,759,177)
60-71 HP	3,805	\$171,225	\$94,174	(\$77,051)
72+ HP	823	\$41,973	\$20,369	(\$21,604)
Total	3,833,021	\$89,631,054	\$94,867,270	\$5,236,215

Current annual registration fees for a motorcycle are \$8.50 per year, and motortricycles and autocycles have an annual registration fee of \$10; both figures exclude the railroad crossing fee.

The proposed language will see a reduction in collected fees for motortricycles and autocycles, but this loss will be offset by the increase in annual motorcycle registration fees, resulting in an increase of \$54,283 annually.

Body Style	Registered	Current Annual Registration	Proposed Annual Registrations	Difference
Motorcycle	43,792	\$372,232	\$426,972	\$54,740
Motortricycle	1,701	\$17,010	\$16,585	(\$425)
Autocycle	127	\$1,270	\$1,238	(\$32)
Total	45,620	\$390,512	\$444,795	\$54,283

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

§301.110 – Alternative Fuel Decals

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

Administrative Impact

To implement the proposed language the Department will be required to:

- Update procedures, forms, training material, and the department’s website
- Train current staff

Revenue Impact

There will be a revenue impact from this bill due to decreased material costs by eliminating the production of alternative fuel decals. Production of an alternative fuel decal is a \$0.42 in material costs to the department.

Below represents the number of alternative fuel decals the Motor Vehicle Bureau has sold over the last three fiscal years:

FY 2023 17,202
 FY 2024 25,101
 FY 2025 32,864

These figures show a steady increase in alternative fuel decal sales each year. Based on the last three fiscal years, there is an average of 25,056 special fuel decals issued.

Revenue saving: $25,056 * 0.42 = \$10,524$

Total: \$10,524 annual increase to the highway, city and county funds.

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

§301.140 -Vehicle Registration Fee Transfer Adjustment

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

Administrative Impact

To implement the proposed language the Department will be required to:

- Update procedures, forms, training material, and the department's website
- Train current staff

Revenue Impact

Currently, the Motor Vehicle Bureau processes approximately 212,133 license plate transfers each year. With an increase in transfer fees from \$2 to \$10 the department can expect to see a \$1,697,064 annual increase in funds collected.

Funds as currently collected: $212,133 * \$2 = \$424,266$
Fund collection as proposed: $212,133 * \$10 = \$2,121,330$
Difference: $\$2,121,330 - \$424,266 = \$1,697,064$

Total: \$1,697,064 annual increase to highway, city and county funds.

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

§301.140 – Interim Plates

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

Revenue Impact

Reports indicate that approximately 993,923 new vehicles are titled annually in Missouri. As indicated in the notes for §144.070.10(2) proposed language, approximately 347,352 motor vehicle sales are to out-of-state residents annually.

Interim plates will be replacing the current system of temporary permits. Unlike temporary permits, which were purchased by customers for \$5, there will be no cost to the customer for interim plates.

Additionally, the material costs for producing a temporary permit which were previously incurred by Missouri motor vehicle dealers and contracted license offices, calculated to \$0.94 per permit, will now be absorbed by the Department of Revenue.

Estimated loss due to materials cost: $993,923 * (\$0.94) = (\$934,288)$

Total: (\$934,288) annual loss to highway, city and county funds.

Out-of-state residents that purchase a vehicle in Missouri will be required to obtain a 15-day in-transit plate at a cost of \$10. This item will be distributed by the department and will be a paper printout with an estimated low material cost. It is important to note that distribution for this collected fee is not addressed in the proposed language of the bill and is unknown at this time.

Projected sale of in-transit plates: $347,352 * \$10 = \$3,473,520$ annual increase to highway, city and county funds.

$\$3,473,520 + (\$934,288) = \$2,539,232$ projected annual increase to highway, city and county funds.

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

§301.140 – Converting Temporary Additional Plate to Permanent Third Plate

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

Administrative Impact

To implement the proposed language the Department will be required to:

- Update procedures, forms, training material, and the department's website
- Train current staff

FY 2027 – Motor Vehicle Bureau

Associate Research/Data Analyst 20 hrs. @ \$31.16/hr. =\$623

Research/Data Analyst 10 hrs. @ \$37.14/hr. =\$371

Administrative Manager 5 hrs. @ \$51.40/hr. =\$257

FY 2027 – Strategy & Communications Office

Associate Research/Data Analyst 20 hrs. @ \$31.16/hr. =\$623

Research/Data Analyst 10 hrs. @ \$37.14/hr. =\$371

Total = \$2,245

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.

§§301.550, 301.560 & 301.570 – Dealer Provisions

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

Administrative Impact

Updates the minimum number of sales required for a dealer license from eight to twelve sales per calendar year.

To implement the proposed legislation the department will be required to:

- Update procedures, forms, training manual, and correspondence
- Update the Department website
- Update the Dealer Operating Manual

The Department anticipates that they will be able to absorb these costs and that there will be minimal impact. If multiple bills are passed that require department resources, FTE may be requested through the appropriations process.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to the dealer provisions of this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

§301.560 – Dealer Plate Fees

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

Administrative Impact

To implement the proposed language the Department will be required to:

- Update procedures, forms, training material, and the department's website

- Train current staff

Revenue Impact

Currently, the department produces new dealer license number plates for Missouri motor vehicle dealers each year. Dealers pay \$50 for the first set of plates, and additional sets can be requested for \$10.50 each. Current costs to the department are \$4.56 per flat plate. There will be a shift of revenue funds from highway, city, and counties to the Motor Vehicle Commission Fund of \$465,115.50.

Annual estimated revenue under current system for FY 2025:

Master plates 3,000 x \$50 = \$150,000

Additional plates 30,011 x \$10.50 = \$315,115.50

Total: 33,011 = \$465,115.50

Oversight does not have information to the contrary and therefore, Oversight will reflect an increase of \$465,116 to the Motor Vehicle Commission Fund and a corresponding decrease to the Highway Fund, Cities, and Counties as provided by DOR.

DOR notes:

Cost of first plate versus material costs: $\$50.00 - \$4.56 = \$45.44$ per plate

Cost of each additional plate: $\$10.50 - \$4.56 = \$5.94$ per plate

Proposed language would allow the department to issue tabs for dealer plates as opposed to printing new plates every two years. Costs associated with tab issuance would be the same as current plate fees (\$50 cost to dealers or \$10.50 for additional plates), resulting in higher profit margin due to differences in material cost (\$0.42) for tabs:

Cost of tabs versus material costs: $\$50 - \$0.42 = \$49.58$ profit per registration

Cost of each additional tab: $\$10.50 - \$0.42 = \$10.08$ profit per registration

Difference in cost (tab vs plate): $\$49.58 - \$45.44 = \$4.14$ profit difference per registration

Difference (tab vs additional): $\$10.50 - 5.94 = \4.56 each

Oversight assumes an profit from issuing tabs instead of plates will be minimal; therefore, Oversight will not reflect a fiscal impact.

§302.170 – REAL ID Provisions

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

Administrative Impact

Proposed changes will require:

- Complete project intake documents and define workplans
- Work with vendor to define system changes and submit change documentation
- Vendor complete driver license system programming to collect and retain electronic images of source documents submitted and remove 10yr retention limitation for REAL ID applications.
- Analyst(s) complete user acceptance testing
- Update and obtain approvals for procedures, forms, and website changes
- Update the Missouri Driver Guide (on-line and printed versions)
- Develop training materials and conduct training for internal staff, contracted staff, and external agency partners as needed
- Update DHS REAL ID certification documentation as applicable to identify program updates

FUSION Impact

Implementation Consultant 80 hrs. @ \$225 per hr. = \$18,000

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

§643.315 – Even/Odd Motor Vehicle Registration

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

At Section 643.315.1 the bill would remove the requirement for even numbered model year vehicles to get an emission inspection in even years, and vice versa for odd model year vehicles. State regulation 10 CSR 10-5.381 includes the requirement that even numbered model year vehicles be tested in even calendar years and odd numbered model year vehicles be tested in odd calendar years. Therefore, this bill would require the department to amend the state regulation. The staff time needed to develop the rulemaking is estimated at 300 staff hours for an Environmental Program Analyst position. This would be a one-time cost to the department of \$10,444 (35.48/per hour - \$73,788 annually (\$67,080 base pay plus \$6,708 time of service pay)), (fringe and indirect not included) in FY 2027. 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.

At Section 643.315.1 the bill would remove the requirement for even numbered model year vehicles to get an emission inspection in even years, and vice versa for odd model year vehicles. As such, any vehicle registration transfers (used vehicle sales) that occur in a year that does not match the odd/even characteristic of the model year of the vehicle, would get two years between the initial inspection and the first renewal inspection, instead of only one year.

Therefore, there would be fewer vehicles tested in the second year after this bill passes. However, the inspections would catch back up to normal in the third and subsequent years after the bill passes.

Based on a query of registration data and emission testing data in FY 2023 and FY 2024, there were a total of 64,987 vehicle registration transfers (used vehicle sales) that were required to take an emission test because of the vehicle registration transfer. Therefore, the annual average during the last two years was 32,494 vehicles. If DNR takes this annual average and assumes that half of the vehicle registration transfers are even-numbered model year vehicles and half are odd-numbered model year vehicles, then the department would expect to see a reduction in initial inspections during the second year after the bill passes (FY 2028) of 16,247 inspections. The fee for the initial emissions test is \$24, of which \$2.50 is paid to the State. Therefore, the department estimates a reduction in state revenue from inspection fees of \$40,618 that would occur in FY 2028, but no reduction in inspection fee revenue any other year (FY 2027 or FY 2029 and beyond).

Summary of Impact

FY 2027: \$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.

FY 2028: \$40,618 - one-time cost for reduced inspections in second year

FY 2029 and beyond: No Impact

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

Bill as a Whole

Officials from the **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.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
GENERAL REVENUE			
Cost – DOR (§302.170) FUSION p.12	<u>(\$18,000)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$18,000)</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
CONSERVATION COMMISSION FUND (1609)			
<u>Revenue Gain</u> – (§144.070) Increase in motor vehicle sales tax for out-of-state purchasers p.4	<u>\$12,376,273</u>	<u>\$12,376,273</u>	<u>\$12,376,273</u>
ESTIMATED NET EFFECT ON THE CONSERVATION COMMISSION FUND	<u>\$12,376,273</u>	<u>\$12,376,273</u>	<u>\$12,376,273</u>
PARKS, SOIL AND WATER FUND (1613 & 1614)			
<u>Revenue Gain</u> – (§144.070) Increase in motor vehicle sales tax for out-of-state purchasers p.4	<u>\$9,901,019</u>	<u>\$9,901,019</u>	<u>\$9,901,019</u>
ESTIMATED NET EFFECT ON THE PARKS, SOIL AND WATER FUND	<u>\$9,901,019</u>	<u>\$9,901,019</u>	<u>\$9,901,019</u>
SCHOOL DISTRICT TRUST FUND (1688)			
<u>Revenue Gain</u> – (§144.070) Increase in motor vehicle sales tax for out-of-state purchasers p.4	<u>\$49,505,093</u>	<u>\$49,505,093</u>	<u>\$49,505,093</u>
ESTIMATED NET EFFECT ON THE SCHOOL DISTRICT TRUST FUND	<u>\$49,505,093</u>	<u>\$49,505,093</u>	<u>\$49,505,093</u>
STATE ROAD BOND FUND (1319)			

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<u>Revenue Gain</u> – (§144.070) Increase in motor vehicle sales tax for out-of-state purchasers p.4	\$148,515,280	\$148,515,280	\$148,515,280
ESTIMATED NET EFFECT ON THE STATE ROAD BOND FUND	<u>\$148,515,280</u>	<u>\$148,515,280</u>	<u>\$148,515,280</u>
STATE ROAD FUND (1320)			
<u>Revenue Gain</u> – (§144.070) Increase in motor vehicle sales tax for out-of-state purchasers p.4	\$198,020,373	\$198,020,373	\$198,020,373
ESTIMATED NET EFFECT ON THE STATE ROAD FUND	<u>\$198,020,373</u>	<u>\$198,020,373</u>	<u>\$198,020,373</u>
HIGHWAY FUND (1644)			
<u>Revenue Gain</u> – (§301.050) Increase in late fees for motor vehicle registration p.5	\$24,661,980	\$24,661,980	\$24,661,980
<u>Revenue Gain</u> – (§§301.055 & 301.070) Flat motor vehicle registration fees p.6	\$3,927,161	\$3,927,161	\$3,927,161
<u>Revenue Gain</u> – (§§301.055 & 301.070) Flat motorcycle, motortricycle and autocycle registration fees p.7	\$40,712	\$40,712	\$40,712
<u>Revenue Gain</u> – (§301.110) Alternative fuel decals no longer issued p.7	\$7,893	\$7,893	\$7,893
<u>Revenue Gain</u> – (§301.140) Increase in transfer plate fees p.8	\$1,272,798	\$1,272,798	\$1,272,798
<u>Revenue Gain</u> – (§301.140) In-transit plate fees p.9	\$2,605,140	\$2,605,140	\$2,605,140

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<u>Revenue Loss – (§301.140) Interim plates provided by DOR p.9</u>	(\$700,716)	(\$700,716)	(\$700,716)
<u>Revenue Loss – (§301.560) Dealer plate fees deposited into the Motor Vehicle Commission Fund p.11</u>	(\$348,837)	(\$348,837)	(\$348,837)
ESTIMATED NET EFFECT ON THE HIGHWAY FUND	<u>\$31,466,131</u>	<u>\$31,466,131</u>	<u>\$31,466,131</u>
MISSOURI AIR EMISSION REDUCTION FUND (1267)			
<u>Revenue Loss – DNR (§643.315) Decrease in number of emissions inspections required p.13</u>	\$0	(\$40,618)	\$0
ESTIMATED NET EFFECT ON THE MISSOURI AIR EMISSION REDUCTION FUND (1267)	<u>\$0</u>	<u>(\$40,618)</u>	<u>\$0</u>
MOTOR VEHICLE COMMISSION FUND (1588)			
<u>Revenue Gain – (§301.560) Dealer plate fees deposited into the Motor Vehicle Commission Fund p.11</u>	\$465,116	\$465,116	\$465,116
ESTIMATED NET EFFECT ON THE MOTOR VEHICLE COMMISSION FUND	<u>\$465,116</u>	<u>\$465,116</u>	<u>\$465,116</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue Gain</u> – (§144.070) Increase in motor vehicle sales tax for out-of-state purchasers p.4	\$465,347,877	\$465,347,877	\$465,347,877
<u>Revenue Gain</u> – Cities (§301.050) 15% Increase in late fees for motor vehicle registration p.5	\$4,932,396	\$4,932,396	\$4,932,396
<u>Revenue Gain</u> – Counties 10 % (§301.050) Increase in late fees for motor vehicle registration p.5	\$3,288,264	\$3,288,264	\$3,288,264
<u>Revenue Gain</u> – Cities 15% (§§301.055 & 301.070) Flat motor vehicle registration fees p.6	\$785,432	\$785,432	\$785,432
<u>Revenue Gain</u> – Counties 10% (§§301.055 & 301.070) Flat motor vehicle registration fees p.6	\$523,622	\$523,622	\$523,622
<u>Revenue Gain</u> – Cities 15% (§§301.055 & 301.070) Flat motorcycle, motortricycle and autocycle registration fees p.7	\$8,142	\$8,142	\$8,142
<u>Revenue Gain</u> – Counties 10% (§§301.055 & 301.070) Flat motorcycle, motortricycle and autocycle registration fees p.7	\$5,428	\$5,428	\$5,428
<u>Revenue Gain</u> – Cities 15% (§301.110) Alternative fuel decals no longer issued p.7	\$1,579	\$1,579	\$1,579
<u>Revenue Gain</u> – Counties 10% (§301.110) Alternative fuel decals no longer issued p.7	\$1,052	\$1,052	\$1,052

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<u>Revenue Gain</u> – Cities 15% (§301.140) Increase in transfer plate fees p.8	\$254,560	\$254,560	\$254,560
<u>Revenue Gain</u> – Counties 10% (§301.140) Increase in transfer plate fees p.8	\$169,706	\$169,706	\$169,706
<u>Revenue Gain</u> – Cities 15% (§301.140) In-transit plate fees p.9	\$521,028	\$521,028	\$521,028
<u>Revenue Gain</u> – Counties 10% (§301.140) In-transit plate fees p.9	\$347,352	\$347,352	\$347,352
<u>Revenue Loss</u> – Cities 15% (§301.140) Interim plates provided by DOR p.9	(\$140,143)	(\$140,143)	(\$140,143)
<u>Revenue Loss</u> – Counties 10% (§301.140) Interim plates provided by DOR p.9	(\$93,429)	(\$93,429)	(\$93,429)
<u>Revenue Loss</u> – Cities 15% (§301.560) Dealer plate fees deposited into the Motor Vehicle Commission Fund p.11	(\$69,767)	(\$69,767)	(\$69,767)
<u>Revenue Loss</u> – Counties 10% (§301.560) Dealer plate fees deposited into the Motor Vehicle Commission Fund p.11	(\$46,512)	(\$46,512)	(\$46,512)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$475,836,587</u>	<u>\$475,836,587</u>	<u>\$475,836,587</u>

FISCAL IMPACT – Small Business

Small business motor vehicle dealers could be impacted as a result of this proposal.

FISCAL DESCRIPTION

DEALER COLLECTION OF SALES TAX (Section 144.070)

Currently, upon the development of the integrated motor vehicle registration system, motor vehicle dealers must collect and remit sales taxes for all motor vehicles sold by the dealer. This bill also requires the dealer to collect and remit sales tax on any boat or outboard motor sold by the dealer. The bill requires a motor vehicle dealer to collect and remit sales tax for any motor vehicle, trailer, boat, or other titled property sold by the dealer to a purchaser who is not a resident of this State at the rate applicable at the dealer's place of business.

WATER-DAMAGED VEHICLES (Section 301.010)

This bill adds a definition of "water-damaged vehicle" for the purposes of the regulation of motor vehicles in Chapter 301, RSMo.

MOTOR VEHICLE REGISTRATION (Sections 301.020, 301.030, 301.050, 301.055, 301.070, 301.110, 301.140, 301.147, and 301.190)

Currently, applications for registration of motor vehicles and trailers must include the applicant's name. This bill requires the inclusion of the applicant's full legal name as it appears on the applicant's driver's license, nondriver's license, or permit. Currently, there are 12 motor vehicle registration periods, each starting on the first day of each calendar month. This bill repeals such language.

Currently, motor vehicle registration fees are based on the horsepower of the vehicle, and there is a penalty fee of \$5 for delinquent registrations. This bill provides for a flat registration fee of \$25 for passenger motor vehicles and \$10 for motorcycles, motortricycles, and autocycles. The bill increases the delinquency fee to \$25 for the first month of delinquency and an additional \$25 for each additional consecutive month of delinquency, not to exceed \$200.

This bill authorizes the Director of Revenue (DOR) to stagger the collection of alternative fuel decal fees and the issuance of alternative fuel decals so that the issuance of the decal occurs at the time of vehicle registration and the decal is valid for the duration of the registration period.

Currently, transferred plates and temporary permits can be used for a period longer than 30 days under certain conditions, and transferred plates may be used for a fee of \$2 plus a pro rata portion of any increased fee based on a difference in registration type. This bill increases such transfer fees to \$10, as described in the bill. The bill requires DOR to issue a nontransferable in-transit plate for motor vehicles, trailers, and boats purchased by non-residents, as specified in the bill. In-transit plates will last 15 days. The term "temporary permit" is replaced with "interim plate" throughout the bill. After development of DOR's upcoming computer system, temporary permits will no longer be issued by dealers. If a transfer of plates occurs at the time a purchase occurs at a dealer location, the current plate may be transferred and tracked in DOR's upcoming computer system.

Currently, any vehicle with biennial registration that is manufactured as an even-numbered model year vehicle must be renewed each even-numbered calendar year, and each vehicle manufactured as an odd-numbered model year vehicle must be renewed each odd-numbered

calendar year. This bill repeals such requirement. The bill allows a third plate to be purchased for a motor vehicle for the same price as a replacement plate.

Current law requires an application for a certificate of ownership to include the applicant's identification number. This bill instead requires the applicant's full legal name as it appears on the applicant's driver's license, nondriver's license, or permit. If an owner desires to add or delete a name or names on an application for certificate of ownership, this bill requires the name or names to be consistent with the names noted on the notice of lien.

Currently, the owner of a salvage vehicle which requires an inspection can get a temporary permit to drive their vehicle directly to and from an inspection. The bill requires the inspection to occur within 15 days of the sale of such vehicle, and the owner must carry a notice of sale while operating the vehicle.

DISABILITY PLACARD RENEWALS (Section 301.142)

Currently, removable windshield placards for physically disabled persons must be renewed every four years. This bill changes the renewal period to every eight years and allows DOR to automatically renew current valid disabled placards until all permanent disabled placards are on an eight-year renewal cycle.

MOTOR VEHICLE DEALER LICENSING (Section 301.550, 301.560, and 301.570)

Currently, a person or entity must sell eight or more vehicles in a calendar year in order to meet the definition of "motor vehicle dealer" and obtain a license to sell motor vehicles. This bill increases the threshold number of vehicles to 12.

Currently, DOR issues a distinctive dealer license number or certificate number upon the renewal of a dealer license plate. This bill instead requires the issuance of a renewal tab to be placed on the lower right corner of the plate or certificate, with the cost of the renewal tab equal to the costs for dealer license plates. Additionally, the bill changes the dealer license plate fee for additional plates.

REAL ID (Section 302.170)

Currently, DOR is required to inform applicants for a REAL ID compliant driver's license or identification card that electronic copies of source documents will be destroyed after the minimum time required by Federal law.

This bill repeals such provision and provides that DOR will retain such documents. Additionally, a provision requiring DOR to inform applicants for a non-REAL ID compliance driver's license that copies of source documents will not be retained by DOR unless permitted by law is repealed.

MOTOR VEHICLE INSPECTIONS (Sections 307.350 and 643.315)

Currently, the safety and emissions inspections for an even numbered model year vehicle must be conducted in each even numbered calendar year and for odd-numbered model year vehicles, the inspection must happen in odd-numbered calendar years. This bill repeals such requirements.

EFFECTIVE DATE (Section B)

Certain Sections of the bill will be effective as soon as technologically possible following development and maintenance of DOR's electronic titling and registration system.

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



Julie Morff
Director
March 10, 2026



Jessica Harris
Assistant Director
March 10, 2026