

SENATE BILL NO. 3

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR CRAWFORD.

0348S.02I

KRISTINA MARTIN, Secretary

AN ACT

To repeal section 136.055, RSMo, and to enact in lieu thereof one new section relating to department of revenue fee offices.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Section 136.055, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 136.055, to read as follows:

136.055. 1. Any person who is selected or appointed by the state director of revenue as provided in subsection 2 of this section to act as an agent of the department of revenue, whose duties shall be the processing of motor vehicle title and registration transactions and the collection of sales and use taxes when required under sections 144.070 and 144.440, and who receives no salary from the department of revenue, shall be authorized to collect from the party requiring such services additional fees as compensation in full and for all services rendered on the following basis:

(1) For each motor vehicle [or trailer] registration issued, renewed, or transferred[, six dollars and twelve dollars for those licenses sold or biennially renewed pursuant to section 301.147;]:

- (a) **Nine dollars for annual registration; or**
- (b) **Eighteen dollars for biennial registration;**

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

18 (2) **For each trailer registration issued, renewed, or**
19 **transferred:**

20 (a) **Nine dollars for annual registration;**

21 (b) **Twenty-seven dollars for three-year registration;**

22 **or**

23 (c) **Forty-five dollars for permanent registration;**

24 (3) For each application or transfer of title, **[six]**
25 **nine** dollars;

26 **[(3)] (4)** For each instruction permit, nondriver
27 license, chauffeur's, operator's or driver's license issued
28 for a period of three years or less, **[six] nine** dollars and
29 **[twelve] eighteen** dollars for licenses or instruction
30 permits issued or renewed for a period exceeding three years;

31 **[(4)] (5)** For each notice of lien processed, **[six]**
32 **nine** dollars;

33 **[(5)] (6)** Notary fee or electronic transmission per
34 processing, two dollars.

35 2. The director of revenue shall award fee office
36 contracts under this section through a competitive bidding
37 process. The competitive bidding process shall give
38 priority to organizations and entities that are exempt from
39 taxation under Section 501(c)(3), 501(c)(6), or 501(c)(4),
40 except those civic organizations that would be considered
41 action organizations under 26 C.F.R. Section 1.501(c)(3)-
42 1(c)(3), of the Internal Revenue Code of 1986, as amended,
43 with special consideration given to those organizations and
44 entities that reinvest a minimum of seventy-five percent of
45 the net proceeds to charitable organizations in Missouri,
46 and political subdivisions, including but not limited to,
47 municipalities, counties, and fire protection districts.
48 **Notwithstanding any provision of law to the contrary, the**
49 **director of revenue shall not award any fee office contract**

50 under this section to any entity affiliated in any manner
51 with a current employee of the department of revenue or with
52 a former employee of the department of revenue for the one-
53 year period following the former employee's termination of
54 employment with the department. For purposes of this
55 subsection, "affiliated in any manner" includes owning the
56 entity or serving as an officer or board member of such
57 entity. Additionally, no person affiliated in any manner
58 with an entity awarded a fee office contract under this
59 section shall be affiliated in any manner with an entity
60 acting as a motor vehicle title service agent as prescribed
61 in sections 301.112 to 301.119. The director of the
62 department of revenue may promulgate rules and regulations
63 necessary to carry out the provisions of this subsection.
64 Any rule or portion of a rule, as that term is defined in
65 section 536.010, that is created under the authority
66 delegated in this subsection shall become effective only if
67 it complies with and is subject to all of the provisions of
68 chapter 536 and, if applicable, section 536.028. This
69 section and chapter 536 are nonseverable and if any of the
70 powers vested with the general assembly pursuant to chapter
71 536 to review, to delay the effective date, or to disapprove
72 and annul a rule are subsequently held unconstitutional,
73 then the grant of rulemaking authority and any rule proposed
74 or adopted after August 28, 2009, shall be invalid and void.

75 3. Notwithstanding any other provision of law to the
76 contrary, the director of revenue shall have the authority
77 to enter into a contract amendment or renewal, for any
78 contract for a fee office awarded through the competitive
79 bidding process after September 1, 2009, to extend such
80 contract for up to a five-year period to begin after the
81 expiration date of such contract. The director of revenue

82 shall evaluate performance under the contract when deciding
83 whether to enter into contract amendments or renewals
84 authorized in this subsection. Nothing shall obligate the
85 director to offer such extension or renewal. A
86 competitively awarded contract may only be extended once
87 pursuant to this subsection.

88 4. Except as otherwise provided in subsection 9 of
89 this section, all fees authorized under this section
90 collected by a [tax-exempt organization] contract fee office
91 may be retained and used by the [organization] entity
92 operating the contract fee office, and all fees authorized
93 under this section collected by a fee office operated by the
94 department of revenue shall be considered state revenue.

95 [4.] 5. All fees charged shall not exceed those in
96 this section. The fees [imposed by] authorized under this
97 section shall be collected by all [permanent] contract fee
98 offices and shall be collected by all full-time or temporary
99 offices [maintained] operated by the department of revenue.

100 [5.] 6. Any person acting as agent of the department
101 of revenue for the sale and issuance of registrations,
102 licenses, and other documents related to motor vehicles
103 shall have an insurable interest in all license plates,
104 licenses, tabs, forms and other documents held on behalf of
105 the department.

106 [6.] 7. The fees authorized by this section shall not
107 be collected by motor vehicle dealers acting as agents of
108 the department of revenue under section 32.095 or those
109 motor vehicle dealers authorized to collect and remit sales
110 tax under subsection 10 of section 144.070.

111 [7.] 8. Notwithstanding any other provision of law to
112 the contrary, the state auditor may audit all records
113 maintained and established by the fee office in the same

114 manner as the auditor may audit any agency of the state, and
115 the department shall ensure that this audit requirement is a
116 necessary condition for the award of all fee office
117 contracts. No confidential records shall be divulged in
118 such a way to reveal personally identifiable information.

119 **9. Notwithstanding any other provision of law to the**
120 **contrary, beginning April 1, 2026, one dollar of any fee**
121 **authorized and charged under subdivision (1), (2), (3), (4),**
122 **or (5) of subsection 1 of this section by a fee office not**
123 **operated by the department of revenue shall be remitted to**
124 **the license office distribution fund established under**
125 **subsection 10 of this section. Moneys remitted to the**
126 **license office distribution fund under this subsection shall**
127 **be held in trust for the entities awarded fee office**
128 **contracts under this section and shall not be considered**
129 **state revenue. In the event a court of competent**
130 **jurisdiction issues a final judgment specifying that moneys**
131 **remitted under this subsection are subject to Article IV,**
132 **Section 30(b) of the Missouri Constitution, the provisions**
133 **of this subsection shall be null and void.**

134 **10. (1) There is hereby created in the state treasury**
135 **the "License Office Distribution Fund", which shall consist**
136 **of moneys collected as provided under subsection 9 of this**
137 **section. The state treasurer shall be custodian of the**
138 **fund. In accordance with sections 30.170 and 30.180, the**
139 **state treasurer may approve disbursements. The fund shall**
140 **be a dedicated fund and shall be used solely for the**
141 **purposes specified in this subsection.**

142 **(2) Notwithstanding the provisions of section 33.080**
143 **to the contrary, any moneys remaining in the fund at the end**
144 **of the biennium shall not revert to the credit of the**
145 **general revenue fund.**

146 (3) The state treasurer shall invest moneys in the
147 fund in the same manner as other funds are invested. Any
148 interest and moneys earned on such investments shall be
149 credited to the fund.

150 (4) Beginning after June 30, 2026, but no later than
151 August 15, 2026, quarterly disbursements shall be made from
152 the fund to the fee offices awarded contracts under this
153 section. Except as otherwise specified in subdivision (5)
154 of this subsection, the disbursement to each fee office
155 shall be equal. The total funds disbursed following each
156 quarter shall be equal to the amount of funds received by
157 the fund under subsection 9 of this section during the
158 quarter.

159 (5) Quarterly disbursements under this subsection
160 shall be distributed to the entity holding each fee office
161 contract when the quarterly disbursement occurs; provided
162 that, in the case that a contract fee office transitions
163 between two contractors during the quarter, the disbursement
164 for that fee office shall be divided between the contractors
165 in proportion to the number of transactions the office
166 processed under each contractor during the quarter for which
167 the transfer is taking place.

168 (6) Quarterly disbursements under this subsection
169 shall be made as follows:

170 (a) Disbursements for transactions occurring from
171 January first to March thirty-first shall occur no later
172 than May fifteenth of each year;

173 (b) Disbursements for transactions occurring from
174 April first to June thirtieth shall occur no later than
175 August fifteenth of each year;

176 (c) Disbursements for transactions occurring from July
177 first to September thirtieth shall occur no later than
178 November fifteenth of each year; and

179 (d) Disbursements for transactions occurring from
180 October first to December thirty-first shall occur no later
181 than February fifteenth of the following calendar year each
182 year.

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