

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1638-03
Bill No.: Truly Agreed To and Finally Passed SCS for HB 686
Subject: Motor Vehicles; Revenue, Department of
Type: Original
Date: June 9, 2015

Bill Summary: This proposal modifies provisions for registration of motor vehicles.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	(\$35,612)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$35,612)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 301.010

Officials from the **Department of Revenue (DOR)** assume the language in this section of the proposal modifies the definition of a "junk vehicle" by deleting "and shall not be titled or registered" and adding "Has been designated as junk or a substantially equivalent designation by this state or any other state".

Administrative Impact

- Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours at a cost of \$890 in FY 2016.
- The Department's website will need to be updated. This will require 10 hours for an Administrative Analyst III, at a cost of \$240 in FY 2016.

In summary, DOR assumes a cost of \$1,130 (\$890 + \$240) in FY 2016 to provide for the implementation of the changes in this section of the proposal.

Section 301.196

DOR officials assume the language in this section of the proposal allows notice of sales submitted electronically to contain the transferor's electronic signature, as defined in Section 432.205, RSMo, or the signatures of the transferee and transferor if not submitted electronically.

It also allows the Department to accept notice of sales even though this may contain minor errors.

Administrative Impact

DOR assumes this language allows the Department to begin accepting notice of sales electronically. The Department is unsure if the capabilities to accept notice of sales electronically will be available in the scope of this fiscal note. The Department has drafted this fiscal response with implementation of FY 2017, but depending on the required programming, the funds may be requested outside the time lines of this proposal.

ASSUMPTION (continued)

- Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours at a cost of \$890 in FY 2017.
- The Titling Manual will need to be revised. This will require 40 hours for a Management Analyst Specialist I, at a cost of \$890 in FY 2017.
- The Department's website will need to be updated. This will require 10 hours for an Administrative Analyst III, at a cost of \$240 in FY 2017.
- MVB user acceptance testing for identified application. 140 hours by a Management Analyst Specialist I at a cost of \$3,142 in FY 2017.
- Development staff estimate the 367.20 hours required to update existing software to accommodate changes required by the bill at a cost of \$27,540.

In summary, DOR assumes a cost of \$32,702 ($\$890 + \$890 + \$240 + \$3,142 + \$27,540$) in FY 2016 to provide for the implementation of the changes in this section of the proposal.

Section 301.227

DOR officials assume the language in this section of the proposal provides consumer protection for the citizens of this state and others by allowing the Department to accurately carry forward brands designated on out-of-state titles.

Section 301.280

DOR officials assume the language in this section of the proposal eliminates the requirement for a dealer to report the sale of temporary permits on their dealer monthly sales report if the sale of a temporary permit is already recorded by electronic means as determined by the Department.

Administrative Impact

Sales of temporary permits by dealers are currently recorded electronically via the Departments Temporary Registration Permit Application (TRPA).

- Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours at a cost of \$890 in FY 2016.

ASSUMPTION (continued)

- The Dealer Operating manual will need to be revised. This will require 40 hours for a Management Analyst Specialist I, at a cost of \$890 in FY 2016.

In summary, DOR assumes a cost of \$1,780 (\$890 + \$890) in FY 2016 to provide for the implementation of the changes in this section of the proposal.

In summary, DOR assumes a cost of \$35,612 (\$1,130 + \$32,702 + \$1,780) in FY 2016 to provide for the implementation of the changes in this proposal.

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the Secretary of State's Office for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials from the **Joint Committee on Administrative Rules**, the **Department of Insurance, Financial Institutions and Professional Registration** and the **Department of Public Safety - Missouri Highway Patrol** each assume the proposal will have no fiscal impact on their respective organizations.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
GENERAL REVENUE			
<u>Cost - DOR</u>	<u>(\$35,612)</u>	<u>\$0</u>	<u>\$0</u>
Administrative Cost			
ESTIMATED NET EFFECT TO THE GENERAL REVENUE	<u>(\$35,612)</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

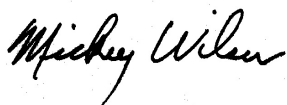
FISCAL DESCRIPTION

This proposal modifies provisions for registration of motor vehicles.

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

Office of the Secretary of State
 Department of Revenue
 Joint Committee on Administrative Rules
 Department of Public Safety
 Department of Insurance, Financial Institutions and Professional Registration



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Mickey Wilson, CPA
Director
June 9, 2015

Ross Strobe
Assistant Director
June 9, 2015