

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0902S.05S
 Bill No.: CCS for HCS for SB 47
 Subject: Department of Revenue; Fees; Contracts and Contractors; Licenses - Driver's;
 Children and Minors; Taxation and Revenue - Sales and Use; Licenses -
 Miscellaneous; Vital Statistics; Agriculture; Mining and Oil and Gas Production;
 Environmental Protection; Weights and Measures; Disabilities; Conservation,
 Department of; Natural Resources, Department of; Licenses - Motor Vehicle;
 Economic Development; Boards, Commissions, Committees and Councils;
 Utilities; Air Quality; Water Resources and Water Districts
 Type: Original
 Date: May 11, 2023

Bill Summary: This proposal enacts provisions relating to financial obligations to public entities.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2027)
General Revenue*	Could exceed (\$345,713)	Could exceed (\$53,664)	Could exceed (\$28,259)	Less than \$87,682
Total Estimated Net Effect on General Revenue	Could exceed (\$345,713)	Could exceed (\$53,664)	Could exceed (\$28,259)	Less than \$87,682

*Oversight notes DNR fees are currently set to expire prior to January 1, 2026 (FY 2026). This proposal extends the sunset of those fees. This reflects a continuance of those existing fees.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2027)
Geologic Resources Fund (0801)*	\$0	\$0	\$94,499	\$188,998
Oil and Gas Wells Fund (0543)*	\$0	\$0	\$42,376	\$50,851
Hazardous Waste Fund (0676)*	\$410,713	\$2,637,746	\$3,001,010	\$3,001,010
Solid Waste Management Fund – Scrap Tire Subaccount (0569)*	\$0	\$0	\$1,256,718	\$2,513,435
Environmental Radiation Monitoring Fund (0656)*	\$0	\$116,111	\$139,333	\$139,333
Mined Land Reclamation Fund (0906)*	\$0	\$621,523	\$745,828	\$745,828
Safe Drinking Water Fund (0679)*	\$0	\$4,635,702	\$5,562,842	\$5,562,842
Natural Resources Protection Fund – Air Pollution Permit Fee Subaccount (0594)*	\$0	\$5,469,282	\$6,563,138	\$6,563,138
Natural Resources Protection Fund – Water Pollution Permit Fee Subaccount (0568)*	\$0	\$4,827,794	\$5,793,353	\$5,793,353
Highway Fund	\$2,158,013	\$2,589,615	\$2,589,615	\$2,589,615
License Office Distribution Fund	\$0	\$0	\$0	\$0
Various State Funds	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Conservation Commission Fund	\$0 or Up to (\$253,656)	\$0 or Up to (\$304,387)	\$0 or Up to (\$304,387)	\$0 or Up to (\$304,387)

Parks, Soils and Water Fund	\$0 or Up to (\$202,925)	\$0 or Up to (\$243,510)	\$0 or Up to (\$243,510)	\$0 or Up to (\$243,510)
School District Trust Fund	\$0 or Up to (\$1,014,623)	\$0 or Up to (\$1,217,548)	\$0 or Up to (\$1,217,548)	\$0 or Up to (\$1,217,548)
State Road Bond Fund	\$0 or Up to (\$3,043,870)	\$0 or Up to (\$3,652,644)	\$0 or Up to (\$3,652,644)	\$0 or Up to (\$3,652,644)
State Road Fund	\$0 or Up to (\$3,043,870)	\$0 or Up to (\$3,652,644)	\$0 or Up to (\$3,652,644)	\$0 or Up to (\$3,652,644)
Total Estimated Net Effect on <u>Other</u> State Funds	\$2,158,013 or Up to (\$4,990,218)	\$11,827,040 to \$20,897,773	\$16,717,979 to \$25,788,712	\$18,077,670 to \$27,148,403

*Oversight notes DNR fees are currently set to expire prior to January 1, 2026 (FY 2026). This proposal extends the sunset of those fees. This reflects a continuance of those existing fees.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2027)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2027)
General Revenue	2 FTE	2 FTE	2 FTE	2 FTE
Total Estimated Net Effect on FTE	2 FTE	2 FTE	2 FTE	2 FTE

- 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 2024	FY 2025	FY 2026	Fully Implemented (FY 2027)
Local Government	\$719,338 or Up to (\$8,554,319)	\$341,582 or Up to (\$10,265,184)	\$341,582 or Up to (\$10,265,184)	\$341,582 or Up to (\$10,265,184)

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.

§136.055 – Department of Revenue Fee Offices

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

Administrative Impact

To implement these provisions for permit, driver license and nondriver license processing fees, the Department would be required to:

- Complete project request and monitoring documentation as required by OA ITSD for systems projects.
- Complete business requirements and design documents to modify the Missouri Electronic Driver License (MEDL) issuance system;
- Update the Missouri Transportation Accounting System (MTAS) and related tables used by the Missouri Electronic Driver License system (MEDL);
- Complete programming and user acceptance testing of the Missouri Electronic Driver License (MEDL) system to ensure system update with the required fee increase;
- Update policies, procedures, and the Uniform License Issuance Manual (ULIM);
- Update forms, manuals, and the Department website;
- Create new procedures, training manuals, notices, and forms;
- Update procedures, forms, and correspondence;
- Update associated fee charts, and the Department website;

- Update the Dealer Operating Manual;
- Update the Missouri Titling Manual;
- Send communications to contracted license offices and other contracted stakeholders;
- Complete programming and user acceptance testing;
- Update the Missouri Transportation Accounting System (MTAS) tables; and
- Train internal and contract license office staff.

FY 2024 Driver License Bureau

Research/Data Assistant 160 hrs. x \$17.20 = \$2,752

Research/Data Analyst 200 hrs. x \$25.63 = \$5,126

Administrative Manager 40 hrs. x \$27.82 = \$1,113

FY 2024 Personnel Services Bureau

Associate Research/Data Analyst 20 hrs. x \$20.54 = \$411

Associate Research/Data Analyst 20 hrs. x \$20.54 = \$411

FY 2024 – Motor Vehicle Bureau

Research/Data Analyst 288 Hrs @ \$24.84/hr = \$7,154

Associate Research/Data Analyst 673 Hrs @ \$19.90/hr. = \$13,393

Lead Administrative Support Asst. 20 Hrs @ \$17.05 = \$341

Administrative Manager 89 Hrs @ \$26.96 = \$2,399

FY 2024 – Strategy and Communications Office

Associate Research/Data Analyst 1,000 hrs. @ \$19.90/hr. = \$19,900

Total Cost = **\$53,000**

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.

DOR notes OA-ITSD services will be required at a cost of **\$69,381** in FY 2024 (730.32 hours x \$95 per hour).

Oversight does not have any information to the contrary in regards to DOR's assumptions; therefore, Oversight will reflect DOR's OA-ITSD costs on the fiscal note.

DOR notes the fiscal impact estimated above is based on changes in the current MO Electronic Driver License System and supporting application. 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.

Revenue Impact

DOR notes the proposed processing fee increases in §136.055, RSMo, will also be applied to transactions occurring in Department operated “Branch” licensing offices (DOR central site.)

Central Office (retained by the state)

Estimated Annual Increase for Permits, Driver License, or Non-driver License Issued (Highway Fund 75%, Cities 15% & Counties 10%):

1,428	Estimated annual 0-3 year transaction processing fees in DOR Branch Office
<u>x \$3.00</u>	Amount of fee increase from proposed change from \$6.00 to \$9.00
\$ 4,284	Estimated annual increase in DOR branch office processing fees

5,452	Estimated annual 3-6 3 year transaction processing fees in DOR Branch Office
<u>x \$6.00</u>	Amount of fee increase proposed from \$12.00 to \$18.00
\$32,712	Estimated annual increase in DOR branch office processing fees

$\$32,712 + \$4,284 = \mathbf{\$36,996}$

Estimated Annual Increase for State office title, registration issuance/renewal, online registration renewal, phone in registration renewal, and registration transfers issued (**Highway Fund 75%, Cities 15% & Counties 10%**):

1,138,608	Estimated annual Motor Vehicle (MV) in DOR Branch Office
<u>x \$3.00</u>	Amount of fee increase from proposed change from \$6.00 to \$9.00
\$3,415,824	Estimated annual increase in DOR branch office processing fees

Total annual increase to Highway Fund from increase in DOR branch office processing fee collections = **\$3,452,820 (\$36,996 + \$3,415,824)**

Estimated Annual Increase for Notice of Lien and Duplicate Titles (**General Revenue**):

13,673	Estimated annual 3-6 3 year transaction processing fees in DOR Branch Office
<u>x \$3.00</u>	Amount of fee increase proposed from \$6.00 to \$9.00
\$41,019	Estimated annual increase in DOR branch office processing fees

License Office Fee Increases

Estimates are based on Missouri Transportation Accounting System Driver License Transaction reporting totals for FY 2022

Permits, Driver License, or Non-driver License Issued:

352,500	Total 0-3 year transactions
<u>x \$2.00</u>	Proposed agent transaction processing fee collection increase for 0- 3 year term transactions changing fee from \$6.00 to \$9.00, less \$1.00 to be remitted to License Office Distribution Fund
\$705,000	Total Estimated increase to agent processing fees for 3 year transactions annually
983,966	Total 3-6 year transactions
<u>x \$5.00</u>	Proposed agent transaction processing fee collection increase for 3- 6 year term transactions changing fee from \$12.00 to \$18.00, less \$1.00 to be remitted to License Office Distribution Fund
\$4,919,830	Total estimated agent fee collection increase for 3-6yr transactions
\$5,624,830	Total estimated statewide annual contract office revenue increase from portion of proposed processing fee not distributed to new License Office Distribution Fund from Driver License Transactions (\$705,000 + \$4,919,830)

Estimated annual License Office Distribution Fund remittance derived from \$1 of each office processing fee collected for driver license transactions:

352,500	Total 0-3 year transactions
<u>x \$1.00</u>	Proposed \$1.00 portion of proposed agent fee increase to be remitted to License Office Distribution Fund
\$352,500	Total estimated statewide agent fee \$1 remittance to new fund
983,966	Total 3-6 year transactions
<u>x \$1.00</u>	Proposed \$1.00 of total proposed agent fee increase to be remitted to the License Office Distribution Fund
\$983,966	Total estimated statewide agent fee \$1 remittance to new fund
\$1,336,466	Total estimated statewide annual amount remitted to and to be distributed from the proposed License Office Distribution Fund from Driver License Transactions

Motor Vehicle (MV) Transactions:

6,935,666	Total MV transactions
<u>x \$2.00</u>	Proposed agent transaction processing fee collection increase for MV transactions changing fee from \$6.00 to \$9.00, less \$1.00 to be remitted to License Office Distribution Fund
\$13,871,322	Total estimated statewide annual contract office revenue increase from portion of proposed processing fee not distributed to new License Office Distribution Fund from MV transactions

6,935,666 Total Motor Vehicle (MV) Transactions
x \$1.00 Proposed \$1.00 portion of proposed agent fee increase to be remitted to License Office Distribution Fund

\$6,935,666 Total estimated statewide annual amount remitted to and to be distributed from the proposed License Office Distribution Fund from Driver License Transactions from MV Transactions

License Office Distribution Fund projections (\$1 per transaction) \$6,935,666 + \$1,336,466 = **\$8,272,132**

Total estimated statewide annual amount remitted to and to be distributed from the proposed License Office Distribution Fund:

\$8,272,132 Estimated revenue into the License Office Distribution Fund
/ 175 Number of possible contract license offices
\$47,269 Estimated annual distribution per open contract offices from License Office Distribution Fund

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

Officials from the **Missouri Department of Transportation (MoDOT)** assume the revenues collected from these fees are state revenue derived from highway users (SRHU) subject to the distribution requirements set out in Art. IV, Sec. 30(b)1, Mo. Constitution., meaning only 3% of these fees should go to DOR and the remaining revenue should be deposited into the State Road Fund (SRF).

Currently, these funds are not being deposited to the SRF, but rather 100% of the proceeds of these fees are distributed to the privately or not-for-profit owned and operated DOR license offices.

MoDOT does not have the numbers to determine the current negative fiscal impact to MHTC/MoDOT from this diversion and any increased negative fiscal impact due to the increase in fees.

Therefore, MoDOT defers to DOR for these numbers.

This diversion also impacts cities and counties.

§§144.020 & 144.070 – Dealers to Remit Sales Tax

In response to a similar proposal from 2023 (SCS for HB 415), officials from the **Department of Revenue (DOR)** assumed the following regarding this proposal:

§144.070.11

As soon as the Department's Motor Vehicle and Driver Licensing System integration and modernization is completed, this provision requires all Missouri licensed dealers to collect and remit the sales tax on all motor vehicles that the dealer sells. When collecting and with timely remittance the dealer gets to keep two percent of taxes collected.

Administrative Impact

Motor Vehicle Bureau

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).

Dealers collecting tax is a part of the new system requirements. The administrative impact for this bill is inclusive within the Department's development and implementation of the new system.

Compliance and Investigations Bureau (CIB)

The proposal will have an impact on CIB as well. If dealers are collecting and remitting sales tax, this will increase the responsibilities of CIB to ensure appropriate tax collection. Additional resources will be requested through the appropriations process, if needed.

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 this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

Revenue Impact

DOR notes the following estimates have been made using data from FY 2022 state and local sales tax collected on motor vehicles **if the 2% timely discount is allowed for dealers that remit sales tax.**

Total amount of **state** sales tax collected for motor vehicles sold by dealers in FY 2022
= \$417,111,230 x 2% = **\$8,342,225** - Estimated Loss in MV State Sales Tax

Total amount of **local** sales tax collected for motor vehicles sold by dealers in FY 2022
= \$340,659,669 x 2% = **\$6,813,193** - Estimated Loss MV Local Sales/Use Tax

Estimated loss of revenue annually = \$15,155,418 (\$757,770,899 x 2%)

This would be a decrease to state, city, and county funds

Dealers collecting sales tax at the time of purchase should result in an unknown increase in Motor Vehicle sales tax collections. This increase should mitigate/offset the loss in sales tax collections resulting from the 2% collection fee dealers will be able to retain.

	FY 2024 (6 months)	FY 2025	FY 2026
Conservation	(\$123,406)	(\$246,811)	(\$246,811)
Parks, Soils & Water	(\$98,725)	(\$197,449)	(\$197,449)
School District Trust Fund	(\$493,623)	(\$987,246)	(\$987,246)
State Road Bond Fund	(\$1,480,868)	(\$2,961,737)	(\$2,961,737)
State Road Fund	(\$1,480,868)	(\$2,961,737)	(\$2,961,737)
Locals	(\$493,623)	(\$987,245)	(\$987,245)
Total	(\$4,171,113)	(\$8,342,225)	(\$8,342,225)

In response to a similar proposal from 2023 (SCS for HB 415), officials from the **Office of Administration - Budget and Planning (B&P)** assumed the following regarding this proposal:

Section 144.070

This proposal would require motor vehicle dealers to collect and remit sales taxes, rather than applying the sales tax to the purchaser at the time of titling a vehicle. Motor vehicle dealers are to begin collecting and remitting the sales tax after the development of DOR’s integrated motor vehicle system.

B&P notes that motor vehicle dealers would be eligible for the 2% timely filing discount under Section 144.140. Therefore, B&P estimates that this provision may reduce revenues to state and local taxing jurisdictions.

B&P also notes that the 3% tax on motor vehicles is deposited into the State Road Bond Fund (50%); the State Road Fund (36.5%); the State Transportation Fund (1%); and the Fuel Local Deposit Fund (FLOYD) (12.5%) which is then distributed to local jurisdictions.

In addition to the 3% general tax, a tax of 1% is levied for education, 0.125% for Conservation, and 0.1% for Parks, Soil and water.

In FY 2022, state 3% MV sales tax collections were \$365,264,400. Based on the 3% amount, B&P estimates that total taxable sales were \$12,175,480,006. Therefore, B&P estimates that granting the 2% timely filing discount to MV dealers would reduce state tax collections by up to \$9,070,733 (includes state sales tax minus FLOYD distributions) annually. In addition, B&P estimates that this would reduce local sales tax collections by up to \$11,128,389 (includes both local sales tax plus FLOYD distributions) annually.

Table 1 shows the impact by fiscal year by impacted fund. B&P notes that the estimated impact is “up to” the amounts shown as not all MV businesses may choose to actually collect and remit

the sales tax and not all businesses may qualify for the timely filing discount throughout a full fiscal year.

Table 1: Impact by Fund and Fiscal Year

	FY 2024	FY 2025	FY 2026+
<u>State Funds</u>			
Education	\$0 or Up to (\$1,014,623)	\$0 or Up to (\$1,217,548)	Up to (\$1,217,548)
Conservation	\$0 or Up to (\$253,656)	\$0 or Up to (\$304,387)	Up to (\$304,387)
DNR	\$0 or Up to (\$202,925)	\$0 or Up to (\$243,510)	Up to (\$243,510)
State Road Bond Fund	\$0 or Up to (\$3,043,870)	\$0 or Up to (\$3,652,644)	Up to (\$3,652,644)
State Road Fund	\$0 or Up to (\$2,962,700)	\$0 or Up to (\$3,555,240)	Up to (\$3,555,240)
State Transportation Fund	\$0 or Up to (\$81,170)	\$0 or Up to (\$97,404)	Up to (\$97,404)
Loss to All State Funds	\$0 or Up to (\$7,558,944)	\$0 or Up to (\$9,070,733)	Up to (\$9,070,733)
<u>Local Funds</u>			
Fuel Local Deposit (FLOYD)	\$0 or Up to (\$1,014,623)	\$0 or Up to (\$1,217,548)	Up to (\$1,217,548)
Sales Tax	\$0 or Up to (\$8,259,034)	\$0 or Up to (\$9,910,841)	Up to (\$9,910,841)
Loss to All Local Funds	\$0 or Up to (\$9,273,657)	\$0 or Up to (\$11,128,389)	Up to (\$11,128,389)

Oversight does not have information to the contrary and therefore, Oversight will reflect the revenue loss estimates as provided by B&P. In addition, Oversight will reflect an “Unknown”

increase in revenue as indicated by DOR for the potential increase in sales tax collections due to motor vehicle dealers having the ability to collect the sales tax at the time of sale – if those sales taxes would not have otherwise been collected.

Oversight notes, DOR has indicated that the average estimated time to implement the new integrated system is between three and five years; therefore, Oversight will reflect the fiscal impact as \$0 (new system has not been implemented yet) up to the estimates indicated by B&P (new system has been implemented).

In response to a similar proposal from 2023 (SCS for HB 415), officials from the **Missouri Highway Patrol** assumed the proposal would 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 the Missouri Highway Patrol.

In response to a similar proposal from 2023 (SCS for HB 415), officials from the **Missouri Department of Transportation** deferred to the DOR for the potential fiscal impact of this proposal.

§193.265 – Birth Certificates Fees Waived for Domestic Violence Victims

In response to a similar proposal from 2023 (HB 71), officials from the **Department of Health and Senior Services (DHSS)** stated §193.265.6 of this proposed legislation states no fee shall be required or collected for a certification of birth if the request is made by a victim of domestic violence or abuse, as defined in §455.010 RSMo, and if the victim provides documentation signed by an employee, agent, or volunteer of a victim service provider, an attorney, or a health care or mental health care professional, from whom the victim has sought assistance relating to the domestic violence or abuse. The victim may only be eligible one time for a fee waiver under this subsection.

Per Missouri Coalition against Domestic and Sexual Violence (MCADS) and the National Coalition Against Domestic Violence (NCADV) 2019 statistical data, domestic violence programs served 36,304 Missourians with over 26,000 requests for services going unmet due to a lack of resources. Therefore, a **total number** equaling more than **62,304**.

There is no estimate of how many of these individuals will request birth certificates. Requests could range from 0% to 100% issuance of approximately 62,304 certificates. Each certificate costs \$15. Therefore, the total loss of revenue for the issuance of requests at 100% would be equivalent to \$778,800 for FY 24; \$934,560 for FY 25; and \$934,560 for FY 26. Birth certificates have a current fee split of \$5 per certificate to the Children's Trust Fund; \$5 to the Missouri Public Health Services (MOPHS) Fund; \$4 to General Revenue; and \$1 to the Endowed Care Cemetery Fund.

Moreover, these types of requests typically take more time than regular requests. Many of these applications come with incomplete information which makes the match more difficult and takes

more time in processing. If a match does not result in the issuance of a certified copy, a search fee is not collected like it is from the general public. DHSS expects the number of requests to increase and the loss of revenue and lack of adequate staff to be an issue for program operations. The Department would request a range of one (1) to up to seven (7) FTE to account for the deficiency in staffing depending on how much the work load increases.

FTE count comes from the calculation of a fifteen (15) minute application review, processing, and issuance time average with 2,080 working hours per annum which equals 8,320 applications processed per FTE.

Fund Name	FY 2024 (10 mos.)	FY 2025	FY 2026
General Revenue (\$4)	\$207,680	\$249,216	\$249,216
Children’s Trust Fund (\$5)	\$259,600	\$311,520	\$311,520
MOPHS Fund (\$5)	\$259,600	\$311,520	\$311,520
Endowed Care Cemetery Audit Fund (\$1)	\$51,920	\$62,304	\$62,304
TOTAL	\$778,800	\$934,560	\$934,560

General Revenue	62,304* \$4 = \$249,216
Children’s Trust	62,304* \$5 = \$311,520
Endowed Care	62,304* \$1 = \$62,304
MOPHS Fund	62,304* \$5 = <u>\$311,520</u>
Total	\$934,560

Oversight notes, based on DHSS calculations, the loss of revenue to the various state funds impacted by this proposal are estimated to be as shown in the above table.

Oversight notes this legislation does not contain a provision to limit the number of free birth certificates that may be issued annually; however, the legislation does provide that a victim is only eligible one time for a waiver of the fee (§193.265.6(2)).

Oversight also notes HB 1300 (2020 legislative session) contained similar language regarding the provision of a free birth certificate to victims of domestic violence. In that fiscal note response, DHSS stated that while they did not know the number of birth certificates that would be issued and the actual potential fiscal impact was unknown, they believed the number of qualifying individuals who would apply for a free birth certificate would be minimal due to the target population most likely being unaware of the legislation.

Since the number of individuals actually applying for a free birth certificate was assumed to be minimal, Oversight assumed, for fiscal note purposes, that it was possible for up to 10% of victims to request a free birth certificate annually.

The annual estimated loss of funds to GR in the fiscal note for HB 1300 was \$0 to \$26,724; the loss to the Children's Trust Fund was \$0 to \$33,405; the loss to the MOPHS Fund was \$0 to \$33,405; and the loss to the Endowed Care Cemetery Audit Fund was \$0 to \$6,681.

For the current proposal, assuming up to 10% of 62,304 individuals would apply for a free birth certificate each year, the estimated loss in birth certificate fees would be $(62,304 * 10\% = 6,203 * \$15)$ up to \$93,056 or a loss of up to \$24,812 to GR $(6,203 * \$4)$; a loss of up to \$31,015 to each the Children's Trust Fund and the MOPHS Fund; and a loss of up to \$6,203 to the Endowed Care Cemetery Audit Fund. **Oversight** assumes these losses to be minimal and will not present for fiscal note purposes.

Oversight also notes DHSS assumes it will need between one (1) and seven (7) new FTE as a result of this proposal. Because Oversight assumes a minimal number of individuals will actually request a free birth certificate, Oversight further assumes the DHSS will likely not need additional FTE. However, if the DHSS needs additional funding as a result of the provisions of this proposal, they may request additional funding through the budget process.

Officials from the **Newton County Health Department** assume the proposal will have no fiscal impact on their organization.

In response to a similar proposal from 2023 (HB 71), officials from the **St. Louis County Health Department** assumed the proposal would not have a 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 local public health agencies.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other public health departments were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

§§196.311, 196.316, 323.100 & 413.225 – Missouri Department of Agriculture Fees

Officials from the **Missouri Department of Agriculture (MDA)** assume the proposal will have no fiscal impact on their organization. MDA notes the provisions in this proposal will allow MDA to collect the same amount of revenue as it currently does.

Oversight notes the proposal sets the following annual fee limits:

Dealer's licence for eggs	\$100
Retailer's license for eggs	\$175
Processor's license for eggs	\$250
Testing of meters for liquefied petroleum gas	\$400
Calibrations testing	\$500 per calibration

Oversight notes the new fee limits become effective January, 2025 and allow the MDA additional flexibility in setting the annual fees. Oversight assumes there will be no direct additional fiscal impact to the MDA.

§§256.700, 259.080, 260.262, 260.273, 260.380, 260.392, 260.475, 444.768, 444.772, 640.100, 643.079 & 644.057 – Extension of Department of Natural Resources Fees

Officials from the **Department of Natural Resources (DNR)** assume the proposal will have no fiscal impact on their organization.

DNR notes the following amounts have been collected for the various fees:

§256.700 – Geologic Resources Fund (0801) (in response to SB 109 (2023))

FY 2020	\$200,585
FY 2021	\$180,593
FY 2022	\$185,816

Oversight notes there was a \$232,585 balance in the Geologic Resources Fund as of January 31, 2023. Oversight will reflect revenue in the amount of \$188,998 (average of past three fiscal years) continuing due to the fee extension from 2025 to 2031 on the fiscal note.

§259.080 – Oil and Gas Well Resources Fund (0543)

FY 2020	\$57,548
FY 2021	\$46,155
FY 2022	\$48,851

Oversight notes there was a \$324,596 balance in the Fund as of January 31, 2023. Oversight will reflect revenue in the amount of \$50,851 (average of past three fiscal years) continuing due to the fee extension from 2025 to 2031 on the fiscal note.

§260.262 – Lead-Acid Battery Fee (Hazardous Waste Fund 0676)

FY 2020	\$757,417
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FY 2021	\$842,281
FY 2022	\$864,578

Oversight notes there was an \$11,131,094 balance in the Fund as of January 31, 2023. Oversight will reflect revenue in the amount of \$821,425 (average of past three fiscal years) continuing due to the fee extension from 2023 to 2029 on the fiscal note.

§260.273 – Scrap Tire Fee (Solid Waste Management – Scrap Tire Fund Subaccount Fund 0569)

FY 2020	\$2,481,163
FY 2021	\$2,015,512
FY 2022	\$3,043,631

Oversight notes there was a \$7,121,634 balance in the Fund as of January 31, 2023. Oversight will reflect revenue in the amount of \$2,513,435 (average of past three fiscal years) continuing due to the fee extension from 2025 to 2031 on the fiscal note.

§260.380 – Hazardous Waste Generator Fee (Hazardous Waste Fund 0676)

FY 2020	\$1,900,159
FY 2021	\$1,920,783
FY 2022	\$1,816,939

Oversight notes there was an \$11,131,094 balance in the Fund as of January 31, 2023. Oversight will reflect revenue in the amount of \$1,879,294 (average of past three fiscal years) continuing due to the fee extension from 2024 to 2030 on the fiscal note.

§260.392 – Environmental Radiation Monitoring Transport Fee (Environmental Radiation Monitoring Fund (0656)

FY 2020	\$134,000
FY 2021	\$102,725
FY 2022	\$181,275

Oversight notes there was an \$181,046 balance in the Fund as of January 31, 2023. Oversight will reflect revenue in the amount of \$139,333 (average of past three fiscal years) continuing due to the fee extension from 2024 to 2030 on the fiscal note.

§260.475 – Hazardous Waste Land Disposal Fee (Hazardous Waste Fund 0676)

FY 2020	\$305,370
FY 2021	\$335,681
FY 2022	\$259,822

Oversight notes there was an \$11,131,094 balance in the Fund as of January 31, 2023. Oversight will reflect revenue in the amount of \$300,291 (average of past three fiscal years) continuing due to the fee extension from 2024 to 2030 on the fiscal note.

§§444.768 & 444.772 – Surface Mining -Land Reclamation Act (Mined Land Reclamation Fund (0906))

FY 2020	\$773,335 (Mined Land Reclamation Fund)	\$145,500 (General Revenue)
FY 2021	\$704,629 (Mined Land Reclamation Fund)	\$194,000 (General Revenue)
FY 2022	\$759,521 (Mined Land Reclamation Fund)	\$194,000 (General Revenue)

Oversight notes there was a \$1,615,826 balance in the Fund as of January 31, 2023. Oversight will reflect revenue in the amount of \$745,828 for the Mined Land Reclamation Fund and \$177,833 for the General Revenue Fund (average of past three fiscal years) continuing due to the fee extension from 2024 to 2030 on the fiscal note.

§640.100 – Safe Drinking Water Fund (0679)

FY 2020	\$5,295,605
FY 2021	\$5,455,159
FY 2022	\$5,937,761

Oversight notes there was an \$8,925,790 balance in the Fund as of January 31, 2023. Oversight will reflect revenue in the amount of \$5,562,842 (average of past three fiscal years) continuing due to the fee extension from 2024 to 2030 on the fiscal note.

§643.079 – Clean Air Fees – Emissions and Permit Fees (Natural Resources Protection Fund – Air Pollution Permit Fee Subaccount (0594))

FY 2020	\$6,268,040
FY 2021	\$6,339,541
FY 2022	\$7,081,832

Oversight notes there was a \$3,356,322 balance in the Fund as of January 31, 2023. Oversight will reflect revenue in the amount of \$6,563,138 (average of past three fiscal years) continuing due to the fee extension from 2024 to 2030 on the fiscal note.

§644.057 – Clean Water Fee (Natural Resources Protection Fund – Water Pollution Permit Fee Subaccount 0568)

FY 2020	\$5,490,416
FY 2021	\$5,574,843
FY 2022	\$6,314,800 (higher due to land disturbance being due every five years)

Oversight notes there was a \$26,039,664 balance in the Fund as of January 31, 2023. Oversight will reflect revenue in the amount of \$5,793,353 (average of past three fiscal years) continuing due to the fee extension from 2024 to 2030 on the fiscal note.

§301.142 – Disabled License Plates

In response to a similar proposal from 2023 (SB 114), officials from the **Department of Revenue (DOR)** assumed the following regarding this proposal:

Administrative Impact

In order to implement the proposed changes, the Department will be required to:

- Update procedures, manuals, Department website, and correspondence letters;
- Update Department system(s); and
- Train staff.

FY 2024 – Motor Vehicle Bureau

Associate Research/Data Analyst 100 hrs. @ \$19.90/hr. = \$1,990

Lead Administrative Support Asst. 45 hrs. @ \$14.83/hr. = \$667

Administrative Manager 20 hrs. @ \$26.96/hr. = \$539

FY 2024 – Strategy and Communications Office

Associate Research/Data Analyst 40 hrs. @ \$19.90/hr. = \$796

Total Cost = \$3,992

In equalizing the workload, DOR will start to see a cost savings of \$115,941 beginning in the fifth year from placards being renewed every 8 years instead of 4. The cost savings will be in inventory and postage at \$1.23 per placard.

Oversight does not have information to the contrary and therefore, will reflect the cost savings indicated by DOR starting in FY 2028.

DOR notes OA-ITSD services will be required at a cost of **\$26,922** in FY 2024 (283.39 hours x \$95 per hour).

Oversight does not have any information to the contrary in regards to DOR's assumptions; therefore, Oversight will reflect DOR's OA-ITSD costs on the fiscal note.

§301.469 – Missouri Conservation Heritage Foundation License Plates

In response to a similar proposal from 2023 (HB 142), officials from the **Department of Revenue (DOR)** assumed the following regarding this proposal:

Administrative Impact

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

- Update charts, procedures and the Department website;
- Update the Application for Missouri Personalized and Special License Plate (DOR-1716); and
- Complete programming and user acceptance testing for identified systems.

FY 2024 – Motor Vehicle Bureau

Associate Research/Data Analyst 151 hrs. @ \$19.91 per hr. = \$3,006
Research/Data Analyst 38 hrs. @ \$24.84 per hr. = \$944
Administrative Manager 19 hrs. @ \$26.97 per hr. = \$512

FY 2024 – Strategy and Communications Office

Associate Research/Data Analyst 40 hrs. @ \$19.91 per hr. = \$797

Total costs: \$5,259

The Department anticipates being able to absorb this cost. If multiple bills pass that require Department resources, FTE may be requested through the appropriations process.

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.

DOR notes OA-ITSD services will be required at a cost of **\$20,192** in FY 2024 (212.55 hours x \$95 per hour).

Oversight does not have any information to the contrary in regards to DOR's assumptions; therefore, Oversight will reflect DOR's OA-ITSD costs on the fiscal note.

In response to a similar proposal from 2023 (HB 142), officials from the **Missouri Department of Conservation** assumed the proposal would 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.

§§302.178 & 302.181 – Identification Fees Waived for Homeless Youth

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

Administrative Impact

To implement the proposed change, the Department would be required to:

- Complete business requirements and design documents to modify the Missouri Electronic Driver License (MEDL) issuance system, MEDL central applications and supporting systems to remove the fee for a nondriver for homeless child, youth, or an intermediate for emancipated youths.
- Complete programming and user acceptance testing of the Missouri Electronic Driver License (MEDL) issuance system;
- OA-ITSD Test the file generation and secure transfer process to ensure all required data elements and signature are sent as required;
- Obtain format and procedure approvals from Secretary of State and others as applicable;
- Update policies, procedures, and the Uniform License Issuance Manual (ULIM);
- Update forms, manuals, and the Department website;
- Complete training as required.

FY 2024 – Driver License Bureau

Research/Data Assistant 360hrs. @ \$17.20 per hr. =\$6,192

Research/Data Analyst 400hrs. @ \$25.63 per hr. =\$10,252

Administrative Manager 80 hrs. @ \$27.82 per hr. =\$2,226

FY 2024 – Personnel Services Bureau

Associate Research/Data Analyst 20 hrs. @ \$20.54 per hr. =\$411

Associate Research/Data Analyst 10 hrs. @ \$20.54 per hr. =\$205

Total Costs \$19,286

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.

DOR notes OA-ITSD services will be required at a cost of **\$55,610** in FY 2024 (585.37 hours x \$95 per hour).

Oversight does not have any information to the contrary in regards to DOR's assumptions; therefore, Oversight will reflect DOR's OA-ITSD costs on the fiscal note.

Revenue Impact

DOR notes during FY 2022 there were a total of 113,014 new non-driver licenses issued. DOR does not have statistics to determine of this count how many potential annual applicants may be eligible for a fee waiver under the proposed provisions, therefore the total impact to State and Local Revenue is unknown.

For each fee waiver eligible non-driver license issued pursuant to this proposed language in §302.181 there would be a loss to General Revenue of \$6.00.

During FY 2022 there were a total of 52,348 intermediate driver licenses issued. DOR does not have statistics to determine of this count how many may potential applicants may be eligible for a fee waiver under the proposed provisions, therefore the total impact to State and Local Revenue is unknown.

For each fee waiver eligible intermediate driver license issued pursuant to this proposed language in §302.178 there would be a loss of fees distributed to the Highway Fund and Local Funds for cities and counties as follows

Hwy Fund Loss (75%) = \$3.75
Cities Fund Loss (15%) = \$0.75
Counties Fund Loss (10%) = \$0.50

For each issued document, DOR would be required to pay fees to the card vendor for printing and postage costs of \$2.4724 per card.

There would also be a loss to General Revenue for office processing fees which would have been collected for non-driver or intermediate license transactions issued in State license offices eligible for waiver of fees pursuant to the proposed language in §136.055. An estimated volume of eligible applicants applying in State branch offices is unknown.

Office Processing Fee each New Non-driver License: \$12.00

Office Processing Fee for each Intermediate License \$ 6.00

The fiscal impact estimate above is based on changes in the current MO Driver License System environment. The Department is pursuing an upgraded Motor Vehicle and Driver Licensing system. The total potential fiscal impact to develop changes in the proposed system in addition to the current environment is unknown.

Oversight notes, according to the National Conference of State Legislatures (NCSL), as of January 2019, 6,179 individuals of all ages were homeless in Missouri. Of these, 1,359 were under the age of 18. Among the homeless youth and young adults, 477 were unaccompanied by an adult.

If all 1,359 of these homeless youth applied for a non-driver license or intermediate driver license, the loss would amount to approximately \$8,154 (1,359 x \$6). Oversight assumes there will be a minimal loss of revenue from this proposal; therefore, Oversight will not reflect a material loss to the Highway Fund or local political subdivisions.

In addition, Oversight will not reflect a loss to General Revenue for processing fees as Oversight assumes this loss will be minimal.

Officials from the **Missouri Highway Patrol, Department of Social Services and Department of Elementary and Secondary Education** 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.

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

§620.3900, 620.3905, 620.3910, 620.3915, 620.3920, 620.3925, 620.3930 – Regulatory Sandbox Act

In response to a similar proposal from 2023 (SCS for SB Nos. 3 & 69), Section 620.3905.1 states that the regulatory relief office will be administered by a sandbox program director. The **Department of Economic Development (DED)** has estimated personal service costs by taking a mid-range salary of a typical Program Director (Designated Principal Assistant) at DED who oversees an office but does not supervise staff. DED also believes additional review (e.g., reviews of state laws) would require a legal counsel FTE. If DED determines that additional staff are needed to administer the sandbox program, DED will request additional FTE through the normal budget process.

Oversight notes that DED assumes the proposal will have a direct fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect DED's FTE costs for a Division Program Director at \$80,000 and a Legal Counsel at \$62,508 annually to fulfill compliance under Section 620.3900.

In response to a similar proposal from 2023 (SCS for SB Nos. 3 & 69), officials from the **Office of Administration – Budget & Planning** assumed the following regarding this proposal:

Sections 620.3900 to 620.3930 Regulatory Sandbox Act and Regulatory Relief Office

An applicant shall remit to the regulatory relief office an application fee of three hundred dollars

per application for each innovative offering. It is not specified in the bill where this money will be deposited, therefore B&P assumes it will be GR. This will have an unknown positive impact on GR and TSR.

This bill would also provide that during the demonstration period, a sandbox participant shall not be subject to the enforcement of state laws or regulations identified in the written agreement between the regulatory relief office and the sandbox participant. There is not enough information on what laws or regulations may be waived or what impact such a waiver might have on TSR.

Oversight notes that an applicant shall remit to the regulatory relief office an application fee of \$300 per application for each innovative offering. Therefore, Oversight will reflect a potential positive fiscal impact on State Funds for this application fee.

Oversight, for the purpose of this fiscal note, retrieved average patent filings in the State of Missouri to estimate how many entrepreneurs would potentially be participating in this pool. According to the [U.S. Patent and Trademark Office](#) – Patent Technology Monitoring Data (PTMT) there were on average 868 patents filed by Missourians annually from FY 2000 to FY 2015.

Oversight notes that the proposal assesses a \$300 fee that must be paid in order to participate in this program. Oversight assumes that the fee structure could potentially result in additional revenue of \$260,400 (\$300 x 868 potential innovative entrepreneurs). Therefore, **Oversight** will reflect a positive unknown amount to the General Revenue Fund.

In response to a similar proposal from 2023 (SCS for SB Nos. 3 & 69), officials from the **Office of Administration (OA)** assumed this bill appears to establish the Regulatory relief office within the Department of Economic Development. It is assumed that the Office of Administration -Division of Personnel's team members would be required to provide assistance in establishing the new division.

The fiscal impact of this bill is determined by the total number of hours estimated (10 hours) multiplied by the average salary of Division of Personnel team members (\$30.40) plus the added cost to update MoCareers, the State's centralized application platform (\$300.00). Therefore, the total fiscal impact would be \$604.00.
(DOP).

In response to a similar proposal from 2023 (SCS for SB Nos. 3 & 69), officials from the **Department of Revenue (DOR)** assumed the following regarding this bill:

The proposal would create a new government entity, the “regulatory relief office,” which may enter into agreements to essentially waive the requirements of Missouri’s statutes and regulations on certain participating businesses. The proposal directs the regulatory relief office to consult with applicable agencies, including concerning whether the applicable agency has previously investigated, sanctions, or pursued legal action against the applicant. The proposed legislation

prohibits these agreements from exempting an applicant “from any income, property, or sales tax liability unless such applicant otherwise qualifies for an exemption from such tax.”

Should a participant in this program be allowed to not pay taxes this will impact state revenue. DOR has numerous other tax types besides the income tax and sales tax exempted under this proposal. Examples include, withholding tax, tire and battery fee taxes, use taxes and more that do not appear protected under this proposal. Additionally, this regulatory relief office is given authority to waive state law and regulations. DOR is concerned this would result in filing deadlines being moved or changed for some filers and not others or payments being waived.

Additionally, this proposal requires the agencies to provide information on DOR’s relationships with a participating business to the regulatory relief office. Some of this information is currently protected under DOR's confidentially laws.

At this time, DOR is unable to estimate a fiscal impact from this proposal. DOR could possibly need additional FTE to work with the regulatory relief office depending on the number of participants, as well as have losses to revenue if participants are allowed to not pay taxes.

Oversight notes DOR assumes the proposal would allow for selected companies, who participate in the Sandbox program, to receive relief from various taxes which would have an effect on General Revenue and Other State Funds. Additionally, DOR assumes the need for additional FTE to ensure compliance with this proposal. **Oversight** does not have any information to the contrary. Therefore, **Oversight** will reflect a potential (\$0 or) unknown negative impact to General Revenue and Other State Funds, as a result of reduction in a various tax revenues and potential FTE costs for various state agencies.

In response to a similar proposal from 2023 (SCS for SB Nos. 3 & 69), officials from the **Department of Economic Development (DED)** assumed the proposal states that the regulatory relief office will be administered by a sandbox program director. DED has estimated personal service costs by taking a mid-range salary of a typical Program Director (Designated Principal Assistant) at DED who oversees an office but does not supervise staff. DED also believes additional review (e.g., reviews of state laws) would require a legal counsel FTE. If DED determines that additional staff are needed to administer the sandbox program, DED will request additional FTE through the normal budget process.

Oversight notes that DED assumes the proposal will have a direct fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, **Oversight** will reflect DED’s FTE costs for Division Program Director at \$80,000 and a Legal Counsel at \$62,508 annually, in the fiscal note.

In response to a similar proposal from 2023 (SCS for SB Nos. 3 & 69), officials from the **Missouri Department of Agriculture (MDA)** assumed the proposal, specifically Section 620.3905.2(4) could result in a loss of fee funds to the Missouri Department of Agriculture. If fees are not required to be paid in accordance with current regulations, guidelines, and policies,

the fee-fund revenue to the Department could substantially decrease. The fee funds support many FTE within MDA, in accordance with their respective divisions and the fees associated with such; the loss of fee funds could result in the need for reductions in staff due to unavailability of funding. This loss in fee-fund revenue will result in a need for general revenue to support these necessary positions across the state of Missouri.

Oversight notes officials from MDA assume the proposal will have a direct fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect an Unknown negative impact for MDA, for various state funds, in the fiscal note.

In response to a similar proposal from 2023 (SCS for SB Nos. 3 & 69), officials from the **Missouri Department of Conservation (MDC)** assumed the proposal would have an unknown fiscal impact on their organization.

Oversight notes that the Conservation Sales Tax funds are derived from one-eighth of one percent sales and use tax pursuant to Article IV Section 43 (a) of the Missouri Constitution, thus MDC's sales taxes are constitutional mandates.

Additionally, Oversight notes the Park, Soil, and Water Sales Tax funds are derived from the one-tenth of one percent sales and use tax pursuant to Article IV Section 47 (a) thus DNR's sales taxes are constitutional mandates. Therefore, Oversight will reflect the fiscal impact estimates for DNR's funds. Therefore, Oversight will reflect MDC's and DNR's fiscal impact estimates in the fiscal note.

In response to a similar proposal from 2023 (SCS for SB Nos. 3 & 69), officials from the **Department of Commerce and Insurance (DCI)** assumed the proposal, specifically Sections 620.3900 - 620.3930, would have an unknown impact to DCI depending on the number of businesses and individuals that would request to participate in the Sandbox Program.

Oversight notes that the DCI assumes this proposal would have a direct fiscal impact on areas of their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a negative unknown impact to various state funds in the fiscal note.

Oversight notes that there are few examples of various agency costs in similar Sandbox proposals filed in the States of Utah, Ohio, Nebraska, Nevada, and the Arizona. Each fiscal note addresses the difficulty of projecting any costs associated with the proposals. However, a recent fiscal note submitted to the Nebraska Legislature for consideration of similar bill LB 1127 ([Nebraska Sandbox proposal - 2022](#)) from various agencies claiming costs associated with the proposal, are provided in the Table 1.

Oversight notes that the Missouri Sandbox proposal requires, among other duties, the Administrator to:

- Act as a Liaison between private businesses and agencies of the State
- Consult with each affected agency
- Establish Program to enable a person to obtain legal protections
- Review State Laws
- Create a framework for analyzing the risk level of the health, safety, and financial well-being of consumers
- Propose and enter into reciprocity agreements
- Enter into agreements with or adopt best practices of corresponding federal regulatory agencies and other states
- Create and maintain the Department's website
- Create and submit annual reports to the governor and general assembly

Oversight notes that there are many other duties required from the Sandbox Office under this proposal. Therefore, it is probable that the agencies tasked with the regulatory implementation of this program, such as DOR or DED, will need additional FTEs in order to provide the regulatory framework and compliance procedures for this Act.

Oversight notes that Missouri population is at least 3 times greater (6.6M – Missouri population / 1.94M –Nebraska Population) than that of Nebraska, thus the costs could potentially reach a higher level of expenditure in Missouri. Therefore, for purpose of this fiscal note, Oversight will note an unknown negative impact to the General Revenue and Other State Funds, which could potentially exceed \$250,000 in various FTE and forgone tax revenue costs to various state funds in the fiscal note.

Table 1.

AGENCY	FY 2023	FY 2024
Department of Economic Development	\$ 520,380.00	\$ 641,930.00
Department of Banking and Finance	\$ 223,025.00	\$ 215,325.00
Board of Engineers and Architects	\$ 3,300.00	\$ 3,300.00
Department of Environment and Energy	\$ 202,371.00	\$ 202,371.00
Department of Agriculture	\$ 77,500.00	\$ 77,500.00
Liquor Control Commission NFI NFI	No Fiscal Impact	No Fiscal Impact
Motor Vehicle Industry Licensing Board No discernable impact No discernable impact	No Discernable impact	No Discernable impact
Nebraska State Electrical Division Indeterminable Indeterminable	Indeterminable	Indeterminable
Board of Barber Examiners Indeterminable Indeterminable	Indeterminable	Indeterminable
Attorney General NFI NFI	No Fiscal Impact	No Fiscal Impact
Nebraska Real Estate Commission Negligible to significant Negligible to significant	Negligible to Significant	Negligible to Significant
Supreme Court NFI NFI	No Fiscal Impact	No Fiscal Impact
Department of Labor NFI NFI	No Fiscal Impact	No Fiscal Impact
Department of Administrative Services	\$ 71,200.00	\$ 77,000.00
Department of Insurance	\$ 168,900.00	\$ 173,317.00
Total	\$ 1,127,776.00	\$ 1,217,426.00
FTE total	9.5	10.5

In response to a similar proposal from 2023 (SCS for SB Nos. 3 & 69), officials from the **Office of the Governor (GOV)** assumed the proposal adds to the governor’s current load of appointment duties. Individually, additional requirements should not fiscally impact the Office of the Governor. However, the cumulative impact of additional appointment duties across all enacted legislation may require additional resources for the Office of the Governor.

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

In response to a similar proposal from 2023 (SCS for SB Nos. 3 & 69), officials from the **Missouri State Senate** assumed the proposal would have a negative fiscal impact to the senate contingent appropriation to reimburse 2 senators for travel to meetings of the General Regulatory Sandbox Program Advisory Committee. Details are in the attached analysis. In summary, it will cost approximately \$281.60 per meeting.

Oversight notes the Missouri State Senate assumes no fiscal responsibility for the other committee members.

Oversight notes that Missouri State Senate assume the proposal will have a direct fiscal impact on their organization. Oversight assumes the impact to the SEN will not be material and therefore, will no reflect a negative fiscal impact in the fiscal note.

In response to a similar proposal from 2023 (SCS for SB Nos. 3 & 69), officials from the **Office of Administration – Administrative Hearing Commission**, the **Missouri Department of**

Transportation, the **Department of Natural Resources**, and the **Department of Labor and Industrial Relations** each assumed the proposal would 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.

In response to a similar proposal from 2023 (SCS for SB Nos. 3 & 69), officials from the **City of Kansas City**, the **City of O’Fallon**, and the **City of Springfield** each assumed this proposal would not have a direct 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 local political subdivisions.

Oversight notes each county and city assess sales or use tax on the sale of goods in Missouri. The tax remitted to various local political subdivisions serves the local political subdivision needs. DOR assume the companies could receive relief from various taxes. This could have an effect on the local political subdivisions. Therefore, Oversight will note a potential unknown negative impact to the local political subdivision funds in the fiscal note, depending upon sandbox participants and applications.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note 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 SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes 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 the office can sustain with its core budget. Therefore, the SOS reserves 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.

<u>FISCAL IMPACT – State Government</u>	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2027)
GENERAL REVENUE FUND				

<u>Revenue</u> – DOR – increased fees for notice of lien and duplicate titles (§136.055) p. 5-9	\$34,183	\$41,019	\$41,019	\$41,019
<u>Revenue</u> – \$300 Fee Paid to participate in the program (§§620.3900-620.3930) p. 23-28	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Revenue Extension</u> – extension of fee from 2024 to 2030 (§§444.768 & 444.772) p. 18	\$0	\$148,194	\$177,833	\$177,833
<u>Savings</u> – DOR – decrease in mailing cost (§301.142) p. 19	\$0	\$0	\$0	\$115,941
<u>Cost</u> – DOR – OA-ITSD services (§136.055) p. 6	(\$69,381)	\$0	\$0	\$0
<u>Cost</u> – DOR – OA-ITSD services (§301.142) p. 19	(\$26,922)	\$0	\$0	\$0
<u>Cost</u> – DOR – OA-ITSD (§302.178) p. 21	(\$55,610)	\$0	\$0	\$0
<u>Cost</u> – DOR – OA-ITSD services (§301.469) p. 20	(\$20,192)	\$0	\$0	\$0
<u>Cost</u> – Reduction in Revenues – various tax not paid (§§620.3900-620.3930) p. 23-28	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost</u> – DOR– FTE necessary to comply with the proposal (§§620.3900-620.3930) p. 23-28	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

<u>Costs – DED</u> (§§620.3900-620.3930) p. 23-28				
Personal Service	(\$118,757)	(\$145,358)	(\$148,265)	(\$148,265)
Fringe Benefits	(\$70,404)	(\$85,550)	(\$86,638)	(\$86,638)
Expense & Equipment	(\$18,630)	(\$11,969)	(\$12,208)	(\$12,208)
<u>Total Costs - DED</u>	(\$207,791)	(\$242,877)	(\$247,111)	(\$247,111)
FTE Change	2 FTE	2 FTE	2 FTE	2 FTE
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>Could exceed</u> <u>(\$345,713)</u>	<u>Could exceed</u> <u>(\$53,664)</u>	<u>Could exceed</u> <u>(\$28,259)</u>	<u>Less than</u> <u>\$87,682</u>
Estimated Net FTE Change to the General Revenue Fund	2 FTE	2 FTE	2 FTE	2 FTE
GEOLOGIC RESOURCES FUND (0801)				
<u>Revenue Extension –</u> extension of fee from 2025 to 2031 (§256.700) p. 16	<u>\$0</u>	<u>\$0</u>	<u>\$94,499</u>	<u>\$188,998</u>
ESTIMATED NET EFFECT ON THE GEOLOGIC RESOURCES FUND (0801)	<u>\$0</u>	<u>\$0</u>	<u>\$94,499</u>	<u>\$188,998</u>
OIL AND GAS WELLS RESOURCE FUND (0543)				

<u>Revenue Extension</u> – extension of fee from 2025 to 2031 (§259.080) p. 16	<u>\$0</u>	<u>\$0</u>	<u>\$42,376</u>	<u>\$50,851</u>
ESTIMATED NET EFFECT ON THE OIL AND GAS WELLS RESOURCE FUND (0543)	<u>\$0</u>	<u>\$0</u>	<u>\$42,376</u>	<u>\$50,851</u>
HAZARDOUS WASTE FUND (0676)				
<u>Revenue Extension</u> – extension of fee from 2023 to 2029 (§260.262) p. 16	\$410,713	\$821,425	\$821,425	\$821,425
<u>Revenue Extension</u> – extension of fee from 2024 to 2030 (§260.380) p. 17	\$0	\$1,566,078	\$1,879,294	\$1,879,294
<u>Revenue Extension</u> – extension of fee from 2024 to 2030 (§260.475) p. 17	<u>\$0</u>	<u>\$250,243</u>	<u>\$300,291</u>	<u>\$300,291</u>
ESTIMATED NET EFFECT ON THE HAZARDOUS WASTE FUND (0676)	<u>\$410,713</u>	<u>\$2,637,746</u>	<u>\$3,001,010</u>	<u>\$3,001,010</u>
SOLID WASTE MANAGEMENT – SCRAP TIRE SUBACCOUNT (0569)				
<u>Revenue Extension</u> – extension of fee from				

2025 to 2031 (§260.273) p. 17	<u>\$0</u>	<u>\$0</u>	<u>\$1,256,718</u>	<u>\$2,513,435</u>
ESTIMATED NET EFFECT ON THE SOLID WASTE MANAGEMENT – SCRAP TIRE SUBACCOUNT (0569)	<u>\$0</u>	<u>\$0</u>	<u>\$1,256,718</u>	<u>\$2,513,435</u>
ENVIRONMENTAL RADIATION MONITORING FUND (0656)				
Revenue Extension – extension of fee from 2024 to 2030 (§260.392) p. 17	<u>\$0</u>	<u>\$116,111</u>	<u>\$139,333</u>	<u>\$139,333</u>
ESTIMATED NET EFFECTON THE ENVIRONMENTAL RADIATION MONITORING FUND (0656)	<u>\$0</u>	<u>\$116,111</u>	<u>\$139,333</u>	<u>\$139,333</u>
MINED LAND RECLAMATION FUND (0906)				
Revenue Extension – extension of fee from 2024 to 2030 (§§444,768 & 444.772) p. 18	<u>\$0</u>	<u>\$621,523</u>	<u>\$745,828</u>	<u>\$745,828</u>
ESTIMATED NET EFFECTON THE MINED LAND RECLAMATION FUND (0906)	<u>\$0</u>	<u>\$621,523</u>	<u>\$745,828</u>	<u>\$745,828</u>

SAFE DRINKING WATER FUND (0679)				
<u>Revenue Extension</u> – extension of fee from 2024 to 2030 (\$640.100) p. 18	\$0	\$4,635,702	\$5,562,842	\$5,562,842
ESTIMATED NET EFFECT ON THE SAFE DRINKING WATER FUND (0679)	\$0	\$4,635,702	\$5,562,842	\$5,562,842
NATURAL RESOURCES PROTECTION FUND – AIR POLLUTION PERMIT FEE SUBACCOU TN (0594)				
<u>Revenue Extension</u> – extension of fee from 2024 to 2030 (\$643.079) p. 18	\$0	\$5,469,282	\$6,563,138	\$6,563,138
ESTIMATED NET EFFECT ON THE NATURAL RESOURCES PROTECTION FUND – AIR POLLUTION PERMIT FEE SUBACCOUNT (0594)	\$0	\$5,469,282	\$6,563,138	\$6,563,138
NATURAL RESOURCES PROTECTION FUND – WATER POLLUTION PERMIT FEE SUBACCOUNT (0568)				

<u>Revenue Extension</u> – extension of fee from 2024 to 2030 (§644.057) p. 18	\$0	\$4,827,794	\$5,793,353	\$5,793,353
ESTIMATED NET EFFECT ON THE NATURAL RESOURCES PROTECTION FUND – WATER POLLUTION PERMIT FEE SUBACCOUNT (0568)	\$0	\$4,827,794	\$5,793,353	\$5,793,353
HIGHWAY FUND				
<u>Revenue</u> – DOR – increased fees for driver license transactions (§136.055) p. 5-9	\$23,123	\$27,747	\$27,747	\$27,747
<u>Revenue</u> – DOR – increased fees for motor vehicle transactions (§136.055) p. 5-9	\$2,134,890	\$2,561,868	\$2,561,868	\$2,561,868
ESTIMATED NET EFFECT ON THE HIGHWAY FUND	\$2,158,013	\$2,589,615	\$2,589,615	\$2,589,615
LICENSE OFFICE DISTRUBTION FUND				
<u>Revenue</u> – increased fees for driver license transactions (§136.055) p. 5-9	\$1,113,722	\$1,336,466	\$1,336,466	\$1,336,466

<u>Revenue</u> – increased fees for motor vehicle transactions (§136.055) p. 5-9	\$5,779,722	\$6,935,666	\$6,935,666	\$6,935,666
<u>Transfer Out</u> – to license contract offices (§136.055) p. 5-9	(\$6,893,444)	(\$8,272,132)	(\$8,272,132)	(\$8,272,132)
ESTIMATED NET EFFECT ON THE LICENSE OFFICE DISTRIBUTION FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OTHER STATE FUNDS				
<u>Loss of Revenues</u> - to various State Funds – various tax or fees not paid to OA, DNR, MDC, DCI, MDA (§§620.3900-620.3930) p. 23-28	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
NET EFFECT ON THE OTHER STATE FUNDS	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
CONSERVATION COMMISSION FUND (0609)				
<u>Revenue</u> – potential increase in sales tax collection due to dealers having the ability to collect sales tax at the time of sale (§§144.020 & 144.070) p. 12	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>

<u>Loss</u> – 2% timely fee possibly being retained by dealerships (§§144.020 & 144.070) p. 12	<u>\$0 or Up to (\$253,656)</u>	<u>\$0 or Up to (\$304,387)</u>	<u>\$0 or Up to (\$304,387)</u>	<u>\$0 or Up to (\$304,387)</u>
ESTIMATED NET EFFECT ON THE CONSERVATION COMMISSION FUND	<u>\$0 or Up to (\$253,656)</u>	<u>\$0 or Up to (\$304,387)</u>	<u>\$0 or Up to (\$304,387)</u>	<u>\$0 or Up to (\$304,387)</u>
PARKS, SOIL AND WATER FUND (0613 & 0614)				
<u>Revenue</u> – potential increase in sales tax collection due to dealers having the ability to collect sales tax at the time of sale (§§144.020 & 144.070) p. 12	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Loss</u> – 2% timely fee possibly being retained by dealerships (§§144.020 & 144.070) p. 12	<u>\$0 or Up to (\$202,925)</u>	<u>\$0 or Up to (\$243,510)</u>	<u>\$0 or Up to (\$243,510)</u>	<u>\$0 or Up to (\$243,510)</u>
ESTIMATED NET EFFECT ON THE PARKS, SOIL AND WATER FUND	<u>\$0 or Up to (\$202,925)</u>	<u>\$0 or Up to (\$243,510)</u>	<u>\$0 or Up to (\$243,510)</u>	<u>\$0 or Up to (\$243,510)</u>
SCHOOL DISTRICT TRUST FUND (0688)				
<u>Revenue</u> – potential increase in sales tax collection due to dealers having the ability to collect sales tax at the	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

time of sale (§§144.020 & 144.070) p. 12				
<u>Loss</u> – 2% timely fee possibly being retained by dealerships (§§144.020 & 144.070) p. 12	\$0 or Up to (\$1,014,623)	\$0 or Up to (\$1,217,548)	\$0 or Up to (\$1,217,548)	\$0 or Up to (\$1,217,548)
ESTIMATED NET EFFECT ON THE SCHOOL DISTRICT TRUST FUND	<u>\$0 or Up to (\$1,014,623)</u>	<u>\$0 or Up to (\$1,217,548)</u>	<u>\$0 or Up to (\$1,217,548)</u>	<u>\$0 or Up to (\$1,217,548)</u>
STATE ROAD BOND FUND (0319)				
<u>Revenue</u> – potential increase in sales tax collection due to dealers having the ability to collect sales tax at the time of sale (§§144.020 & 144.070) p. 12	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Loss</u> – 2% timely fee possibly being retained by dealerships (§§144.020 & 144.070) p. 12	\$0 or Up to (\$3,043,870)	\$0 or Up to (\$3,652,644)	\$0 or Up to (\$3,652,644)	\$0 or Up to (\$3,652,644)
ESTIMATED NET EFFECT ON THE STATE ROAD BOND FUND	<u>\$0 or Up to (\$3,043,870)</u>	<u>\$0 or Up to (\$3,652,644)</u>	<u>\$0 or Up to (\$3,652,644)</u>	<u>\$0 or Up to (\$3,652,644)</u>
STATE ROAD FUND (0320)				
<u>Revenue</u> – potential increase in sales tax collection due to dealers having the ability to				\$0 or Unknown

collect sales tax at the time of sale (§§144.020 & 144.070) p. 12	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown	
<u>Loss</u> – 2% timely fee possibly being retained by dealerships (§§144.020 & 144.070) p. 12	<u>\$0 or Up to (\$3,043,870)</u>	<u>\$0 or Up to (\$3,652,644)</u>	<u>\$0 or Up to (\$3,652,644)</u>	<u>\$0 or Up to (\$3,652,644)</u>
ESTIMATED NET EFFECT ON THE STATE ROAD FUND	<u>\$0 or Up to (\$3,043,870)</u>	<u>\$0 or Up to (\$3,652,644)</u>	<u>\$0 or Up to (\$3,652,644)</u>	<u>\$0 or Up to (\$3,652,644)</u>

<u>FISCAL IMPACT</u> – <u>Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2027)
LOCAL POLITICAL SUBDIVISIONS				
<u>Revenue</u> – Cities (15%) – increased fees for driver license transactions (§136.055) p. 5-9	\$4,625	\$5,549	\$5,549	\$5,549
<u>Revenue</u> – Cities (15%) – increased fees for motor vehicle transactions (§136.055) p. 5-9	\$426,978	\$512,374	\$512,374	\$512,374
<u>Revenue</u> – Counties (10%) – increased fees for	\$3,083	\$3,700	\$3,700	\$3,700

driver license (§136.055) p. 5-9				
<u>Revenue</u> – Counties (10%) – increased fees for motor vehicle transactions (§136.055) p. 5-9	\$284,652	\$341,582	\$341,582	\$341,582
<u>Loss of Revenues</u> - to various local funds –various taxes not paid (§§620.3900- 620.3930) p. 23-28	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>FISCAL IMPACT</u> – <u>Local</u> <u>Government</u> (continued)	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2027)
<u>Revenue</u> – potential increase in sales tax collection due to dealers having the ability to collect sales tax at the time of sale (§§144.020 & 144.070) p. 12	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Loss</u> – (FLOYD) - 2% timely fee possibly being retained by dealerships (§§144.020 & 144.070) p. 12	\$0 or Up to (\$1,014,623)	\$0 or Up to (\$1,217,548)	\$0 or Up to (\$1,217,548)	\$0 or Up to (\$1,217,548)

<u>Loss</u> – (local sales tax only) - 2% timely fee possibly being retained by dealerships (§§ 144.020 & 144.070) p. 12	\$0 or Up to (\$8,259,034)	\$0 or Up to (\$9,910,841)	\$0 or Up to (\$9,910,841)	\$0 or Up to (\$9,910,841)
ESTIMATED NET EFFECT ON COUNTIES	\$719,338 or Up to (\$8,554,319)	\$341,582 or Up to (\$10,265,184)	\$341,582 or Up to (\$10,265,184)	\$341,582 or Up to (\$10,265,184)

FISCAL IMPACT – Small Business

Small businesses that are required to pay the fees mentioned above could be impacted as a result of this proposal.

Small contract license offices could be impacted as a result of this proposal.

Small businesses, who will participate in the Sandbox program, will be able to receive potential tax reductions resulting in revenue gains.

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

FISCAL DESCRIPTION

This proposal modifies provisions relating to certain administrative fees.

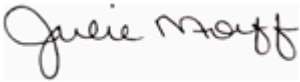
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

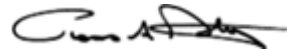
- Department of Revenue
- Missouri Highway Patrol
- Department of Social Services
- Missouri Department of Agriculture
- Department of Elementary and Secondary Education
- Missouri Department of Transportation
- Department of Health and Senior Services
- Newton County Health Department
- St. Louis County Health Department
- Department of Commerce and Insurance
- Office of the Governor

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Office of Administration – Budget & Planning
Office of Administration – Administrative Hearing Commission
Office of Administration
Department of Economic Development
Missouri Department of Conservation
Department of Natural Resources
Joint Committee on Administrative Rules
Office of the Secretary of State
Missouri Senate
City of Kansas City
City of Springfield



Julie Morff
Director
May 11, 2023



Ross Strobe
Assistant Director
May 11, 2023