

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1247S.01I
Bill No.: SB 112
Subject: Agriculture; Licenses - Motor Vehicle; Motor Vehicles; Department of Revenue
Type: Original
Date: January 30, 2023

Bill Summary: This proposal directs the Department of Revenue to establish a system in which persons who own multiple farm vehicles can elect to have the vehicles placed on the same registration renewal schedule.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
General Revenue	(\$62,258)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$62,258)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on FTE	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

§301.033

The proposed bill gives the owner of more than one vehicle registered for farm use the option to submit an application with the Department for farm fleet registration. All fleet registered vehicles will have an annual or biennial expiration in the month of April. The Department will be responsible for issuing all farm fleet vehicles plates that denote this.

Administrative Impact

To incorporate the proposed changes to allow for farm fleet registration, for farmers owning more than one farm vehicle, multiple department systems and procedures will need modifications.

FY 2024 – Motor Vehicle Bureau (MVB)

Associate Research/Data Analyst 239 hrs. @ \$19.90 per hr. = \$4,756

Research/Data Analyst 20 hrs. @ \$24.84 per hr. = \$497

Administrative Manager 10 hrs. @ \$26.96 per hr. = \$270

Total \$5,523

FY 2024 – Strategy and Communications Office

Associate Research/Data Analyst 10 hrs. @ \$19.90 per hr. = \$199

Research/Data Assistant 10 hrs. @ \$24.84 per hr. = \$248

Total = \$447

Total Costs \$5,970

The Department anticipates being able to absorb these costs. If multiple bills are passed 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 **\$62,258** in FY 2024 (655.35 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 current transfer fee is \$2. This proposal does not change that, nor will it result in an increase in transfer transactions; therefore, there should not be a revenue impact. The \$2 fee is not to add a vehicle to a fleet, but to transfer plates to the vehicle if a new vehicle for the fleet is purchased and the owner wants to transfer unexpired license plates from a previous vehicle owned.

In addition, this proposal will not increase the number of farm vehicles that need license plates. Any additional cost to issue plates that say special farm fleet vehicle plates, if any, will be minimal and absorbed as the number of plates being manufactured will not increase.

Officials from the **Missouri Highway Patrol** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for MHP.

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

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 (10 Mo.)	FY 2025	FY 2026
GENERAL REVENUE			
<u>Cost – DOR – OA-ITSD services</u>	<u>(\$62,258)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$62,258)</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

Small agriculture businesses could be positively impacted by this proposal.

FISCAL DESCRIPTION

This act requires the Director of the Department of Revenue to establish a system of registration on a calendar year basis, applicable to all farm vehicles owned or purchased by the owner of a farm vehicle fleet. Any owner of more than one farm vehicle required to be registered may register a fleet of farm vehicles on a calendar year or biennial basis in lieu of standard registration periods.

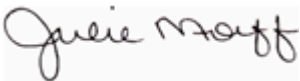
All farm fleet vehicles shall be registered in April or on a prorated basis as provided in the act, and fees for farm fleet vehicles registered on a calendar year or biennial basis shall be payable not later than the last day of April, with 2 years' fees due for biennial registration. The act requires a certificate of inspection and approval issued no more than 120 days prior to registration. Fees for vehicles subsequently added to an existing farm vehicle fleet shall be prorated as specified in the act.

Farm vehicles registered under this act shall be issued a multi-year special license plate bearing the words "Farm Fleet Vehicle" and not requiring issuance of registration renewal tabs. Upon payment of the registration fees, the Director of the Department of Revenue shall issue a registration certificate or other suitable evidence that annual or biennial fees have been paid, which shall be carried in the vehicle at all times.

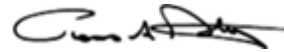
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Missouri Highway Patrol
Missouri Department of Transportation
Missouri Department of Agriculture
Office of the Secretary of State
Joint Committee on Administrative Rules



Julie Morff
Director
January 30, 2023



Ross Strobe
Assistant Director
January 30, 2023