

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0742S.03S
Bill No.: CCS for SS for SB 28
Subject: Agriculture; Consumer Protection; Federal - State Relations; Licenses - Driver's;
Licenses - Motor Vehicle; Licenses - Motor Vehicle; Military Affairs; Motor
Vehicles; Department of Revenue; Roads and Highways; Transportation; Veterans
Type: Original
Date: May 5, 2025

Bill Summary: This proposal modifies provisions relating to transportation.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue	(\$89,389)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$89,389)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Motor Vehicle Administration Technology Fund (0696)	\$0 to \$1,223,336	\$0 to \$1,223,336	\$0 to \$1,223,336
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 to \$1,223,336	\$0 to \$1,223,336	\$0 to \$1,223,336

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§32.056 – Confidential Driver Records

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

Proposed language expands the persons eligible to request to have their driver and motor vehicle records marked to prohibit release of personal information to include active and retired persons in eligible occupations and such person's immediate family members.

Administrative Impact

The proposed change will require a modification to the current request form and related policies and procedures for processing such requests. This change will not require any system modifications in the current driver license system environment.

FY 2026 - Driver License Bureau

Research/Data Analyst 15 hrs. @ \$28.75 per hr. =\$431
Administrative Manager 10 hrs. @ \$31.21 per hr. =\$312

FY 2026 - Strategy and Communications Office

Associate Research/Data Analyst 10 hrs. @ \$23.04 per hr. =\$230
Associate Research/Data Analyst 10 hrs. @ \$23.15 per hr. =\$232

FY 2026 - Motor Vehicle Bureau

Research/Data Analyst 15 hrs. @ \$28.89 per hr. =\$433
Administrative Manager 10 hrs. @ \$31.36 per hr. =\$314

Total = \$1,952

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

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs DOR could request funding through the appropriation process. Officials from the DOR assume the proposal will have no fiscal impact on their organization.

Officials from the **Department of Corrections** 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.

§301.140 – Temporary License Plates

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

Administrative Impact

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

- Create/update procedures, training manuals, notices, and forms;
- Update the Missouri Titling Manual and dealer manual;
- Send communications to contracted license offices and other contracted stakeholders;
- Train internal and contract license office staff.

This will have a minimal impact that the Department will absorb.

Fusion = **\$22,500**

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

Officials from **Office of Administration - Budget and Planning** state Section 301.140 authorizes the director of the Department of Revenue to issue temporary vehicle registration permits to buyers for not more than thirty days. This language removes the allowance for the temporary permit to be issued for no more than ninety days if it is issued by a dealer and requires that satisfaction of all applicable sales and use taxes for the vehicle be paid before permits may be issued. It will also create a new fine of \$250 for any persons driving under an expired or altered temporary. The fine may be waived if the individual properly registers the vehicle within thirty days of issuing the citation. OA B&P defers to the Department of Revenue on the potential impact this could have to collection of vehicle registration fees.

§§301.010 & 307.010 – Cotton Trailers

Officials from the **Missouri Department of Transportation, Missouri Department of Agriculture, the Missouri Highway Patrol and Department of Revenue** 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.

§301.448 – Military Specialty Plates

Officials from the **Department of Revenue (DOR)** assume 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 DOR-4601)

FY 2026 – Motor Vehicle Bureau

Associate Research/Data Analyst 60 hrs. @ \$26.03 per hr. = \$1,562

Research/Data Analyst 20 hrs. @ \$27.87 per hr. = \$557

Administrative Manager 10 hrs. @ \$35.10 per hr. = \$351

FY 2026– Strategy and Communications Office

Associate Research/Data Analyst 60 hrs. @ \$26.03 per hr. = \$1,562

Research/Data Analyst 20 hrs. @ \$27.87 per hr. = \$557

Administrative Manager 10 hrs. @ \$35.10 per hr. = \$351

Overall Total = **\$4,940**

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

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process. Officials from the DOR assume the proposal will have no fiscal impact on their organization.

Officials from the **Missouri Veterans Commission** 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.

§301.469 – Missouri Conservation Heritage Foundation Specialty Plates

Officials from the **Department of Revenue (DOR)** assume 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)
- Complete programming and user acceptance testing for identified systems

FY 2026 – Motor Vehicle Bureau

Associate Research/Data Analyst 80 hrs. @ \$26.03 per hr. = \$2,082

Research/Data Analyst 20 hrs. @ \$27.87 per hr. = \$557

Administrative Manager 10 hrs. @ \$30.25 per hr. = \$302

FY 2026 – Strategy and Communications Office

Associate Research/Data Analyst 40 hrs. @ \$22.33 per hr. = \$893

Total costs: \$3,834

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

The fiscal impact estimated above is based on changes in the current Department's Motor Vehicle system environment. 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 (SB 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.

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 **\$22,339** in FY 2025 (212.76 hours x \$105 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.

Officials from **Office of Administration - Budget and Planning** state section 301.469 adds language to allow for the \$25 payment for emblem-use to be paid at the time of registration with the Department of Revenue. This clarification should have no fiscal impact beyond the timing of when the payment made be made.

Officials from the **Missouri Department of Conservation** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

§301.558 – Trailer Dealers

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

Administrative Impact

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

- 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
- Train internal and contract license office staff

FY 2026 – Motor Vehicle Bureau

Research/Data Analyst 60 hrs. @ \$27.00 per hr. = \$1,620

Administrative Manager 30 hrs. @ \$29.31 per hr. = \$879

Associate Research/Data Analyst 100 hrs. @ \$25.22 per hr. = \$2,522

FY 2026 – Strategy and Communications Office

Associate Research/Data Analyst 100 hrs. @ \$21.64 per hr. = \$2,164

Research/Data Analyst 50 hrs. @ \$27.00 per hr. = \$1,350

Total Costs = \$8,535

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

Fusion = **\$45,000**

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

Revenue Impact

In FY 2024, there were 202,386 trailers titled in Missouri. The department is unable to determine which trailer dealers would opt in to charging an administrative fee. The maximum administrative fee, according to §301.558.4, increases annually by an amount equal to the percentage change in the annual average of the Consumer Price Index for All Urban Consumers. Presently, the administrative fee cannot exceed \$604.47.

For calculating fiscal impact, DOR assumes that they will see similar registration figures in future years, that roughly 10% of these registrations will have an administrative fee, and that this fee will be at the current maximum value. From there, DOR can expect 10% of the fee to be distributed to the Motor Vehicle Administrative Technology Fund until development of the modernized, integrated system.

Number of Trailers	Fee Charged	Total Fee	Amount to Motor Vehicle Administrative Technology Fund	Total
202,386	10%	\$604.47	10%	\$1,223,336

The Department projects an increase of \$1,223,336 in funds deposited into the Motor Vehicle Administrative Technology Fund. Please note that this figure is an estimate and may not reflect actual funds collected.

Oversight assumes there could be an increase in revenue to the Motor Vehicle Administration Technology Fund due to trailer dealers being able to charge an administrative fee on sales; therefore, Oversight will reflect a \$0 (no trailer dealers opt in to charge the administrative fee) to “Up to \$1,223,336” (some or all trailer dealers opt in to charge the administrative fee).

Officials from the **Office of Administration - Budget and Planning** state section 301.558 would now allow trailer dealers the ability to collect an administrative fee in connection with any sale or lease of a new or used trailer. Ten percent of this fee shall be remitted to the Motor Vehicle Administration Technology Fund for development of the motor vehicle/drivers' licensing integrated system, and once the system is functional three and one half percent of the fee shall be remitted to the fund for system maintenance. This expansion of the fee to trailer dealers will positively impact total state revenues. DOR may be able to provide more specific impacts on estimates.

§407.1034 - Vehicle Franchisors

Officials from the **Department of Revenue (DOR)** assume the proposed language adds additional conditions in which a franchise agreement can be terminated. Additionally, language “repurchase” and “pay to the franchisee” has been added to subsections to clarify the intend of these sections.

Administrative Impact

To implement the proposed language, the Department of Revenue would be required to:

- Update procedures, correspondence letters, forms, and the Department website.
- Update the Dealer and Business operating manual.
- Send communications to Missouri dealers.
- Send communications to stakeholders as applicable.

FY 2026 – Strategy & Communications Office

Associate Research/Data Analyst 20 hrs. @ \$26.03/hr. =\$521

Research/Data Analyst 20 hrs. @ \$27.87/hr. =\$557

Total = **\$1,078**

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.

In response to a similar proposal from 2025 (HB 969), officials from the **Attorney General's Office, Department of Commerce and Insurance, Missouri Department of Transportation, Department of Public Safety – Missouri Highway Patrol, Office of the Secretary of State, and Office of Administration** 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.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
GENERAL REVENUE FUND			
<u>Cost – DOR – FUSION (§§301.140 & 301.558) p. 4, 7</u>	(\$67,500)	\$0	\$0
<u>Cost – DOR – OA-ITSD costs</u>	(\$22,339)	\$0	\$0
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$89,839)</u>	<u>\$0</u>	<u>\$0</u>
MOTOR VEHICLE ADMINISTRATION TECHNOLOGY FUND (0696)			
<u>Revenue – potential administrative fees charged by trailer dealers (§301.558) p.</u>	\$0 to <u>\$1,223,336</u>	\$0 to <u>\$1,223,336</u>	\$0 to <u>\$1,223,336</u>
ESTIMATED NET EFFECT ON THE MOTOR VEHICLE ADMINISTRATION TECHNOLOGY FUND	<u>\$0 to \$1,223,336</u>	<u>\$0 to \$1,223,336</u>	<u>\$0 to \$1,223,336</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This proposal modifies provisions relating to transportation.

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

Missouri Department of Transportation
Department of Revenue
Missouri Highway Patrol
Missouri Department of Conservation
Missouri Veterans Commission
Office of Administration - Budget and Planning
Department of Commerce and Insurance
Missouri Department of Agriculture
Office of Administration
Attorney General's Office
Office of the Secretary of State



Julie Morff
Director
May 5, 2025



Jessica Harris
Assistant Director
May 5, 2025