

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3507S.01I
Bill No.: SB 762
Subject: Air Quality; Agriculture; Licenses - Motor Vehicle; Motor Vehicles;
Transportation
Type: Original
Date: January 10, 2022

Bill Summary: This proposal modifies provisions relating to motor vehicle registration.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
General Revenue	(\$140,562)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$140,562)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
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 2023	FY 2024	FY 2025
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
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 2023	FY 2024	FY 2025
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

§301.033

Allows an owner of more than one farm vehicle to make application with the Department of Revenue to be registered as a farm fleet owner. Registration will be available each calendar year or on a biennial basis and will expire in April of the corresponding year on a prorated basis. All farm vehicle owners who elect to be registered as a farm fleet owner will receive plates that denote "Farm Fleet Vehicle."

Administrative Impact

To incorporate the necessary changes to allow for farm vehicle owners of more than one farm vehicle to make application with the Department to process as a farm fleet for the same registration renewal schedule, various Department systems and procedures will need modifications to apply the changes.

FY 2023 – Motor Vehicle Bureau (MVB)

Associate Research/Data Analyst 239 hrs. @ \$18.86 per hr. = \$4,507
Research/Data Analyst 20 hrs. @ \$23.55 per hr. = \$ 471
Administrative Manager 10 hrs. @ \$25.56 per hr. = \$ 256
Total \$5,234

FY 2023 – Strategy and Communications Office

Associate Research/Data Analyst 10 hrs. @ \$18.86 per hr. = \$ 189
Research/Data Assistant 10 hrs. @ \$23.55 per hr. = \$ 235
Total = \$ 424

Total Costs \$5,658

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 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.

§301.147

Removes the language requiring that any vehicle manufactured in an even year shall be renewed each even numbered calendar year and any vehicle manufactured in an odd year shall be renewed each odd numbered calendar year.

The removal of this language modifies the motor vehicle biennial registration option so that all motor vehicles, regardless of model year, have a two-year registration option.

§307.350

Removes the language requiring that any vehicle manufactured as an even-numbered model year shall be inspected and approved pursuant to the safety inspection program established pursuant to sections §307.350 to §307.390 in each even-numbered calendar year and any such vehicle manufactured as an odd-numbered model year vehicle shall be inspected and approved pursuant to sections §307.350 to §307.390 in each odd-numbered calendar year.

§643.315

Removes the language that any vehicle manufactured as an even-numbered model year shall be inspected and approved under the emissions inspection program pursuant to sections §643.300 to §643.355 in each even-numbered year and any such vehicle manufactured as an odd-numbered model year shall be inspected and approved under the emissions inspection program pursuant to sections §643.300 to §643.355 in each odd-numbered year.

Administrative Impact

§301.020 states that the Director of Revenue shall retain the odometer information provided in the vehicle inspection report. By removing the odd/odd, even/even language in §301.147 and §307.350, the Department may not receive the mileage at time of registration.

The Department of Revenue does not collect and retain safety inspection information and, current computer system applications cannot accommodate additional data fields to capture and retain safety inspection and emissions inspection information. Therefore, the Department would need to verify a safety inspection and emissions inspection as applicable (unless exempt), at the

time of every application for renewal proceeds a one-year renewal (renewal of a two-year registration will indicate a safety inspection/emissions if applicable) is required.

The Department would not have a way to enforce the safety inspection requirements fully without the updating and integration of the Department's Motor Vehicle and Driver Licensing system. The cost associated with the Department's Motor Vehicle and Drivers Licensing system update and integration is \$105 million. While a funding source is currently in place, it is unknown if sufficient revenue will be secured from this funding source for the complete system integration. If the Department does not receive sufficient funding for this system integration project, additional funding will be requested through the appropriations process.

DOR notes OA-ITSD services will be required at a cost of **\$140,562** in FY 2023 (1,479.6 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.

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

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 2023 (10 Mo.)	FY 2024	FY 2025
GENERAL REVENUE FUND			
Costs – DOR – ITSD services	(\$140,562)	\$0	\$0
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	(\$140,562)	\$0	\$0

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
	\$0	\$0	\$0

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.

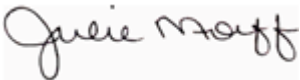
Farm vehicles registered under this act shall be issued a multi-year special license plate bearing the words "Farm Fleet Vehicle" and not requiring issuance of registration renewal tabs. Upon payment of the registration fees, the Director of the Department of Revenue shall issue a registration certificate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

This act repeals the requirement that biennial vehicle registrations shall be renewed in even-numbered years if the vehicle's manufacturer model year is an even-numbered year, and in odd-numbered years if the manufacturer model year is an odd-numbered year. (Section 301.147) The act accordingly modifies certain vehicle safety and emissions inspection statutes to refer to biennial registration generally. (Section 307.350 and 643.315)

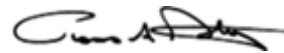
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

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



Julie Morff
Director
January 10, 2022



Ross Strobe
Assistant Director
January 10, 2022