

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4004S.01I  
 Bill No.: SB 847  
 Subject: Agriculture; Licenses - Motor Vehicle; Motor Vehicles; Department of Revenue  
 Type: Original  
 Date: January 12, 2024

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**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General Revenue	(\$86,372)	\$0	\$0
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$86,372)</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

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

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 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.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

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

#### 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.

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 2025 – Motor Vehicle Bureau (MVB)

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

Research/Data Analyst 30 hrs. @ \$27.00 per hr. = \$810

Administrative Manager 20 hrs. @ \$29.31 per hr. = \$586

Lead Administrative Support Asst. 45 hrs. @ \$18.54/hr. = \$834

#### FY 2025 – Systems Analysis and Support

Associate Research/Data Analyst 219 hrs. @ \$21.64 per hr. = \$4,739

Research/Data Analyst 55 hrs. @ \$27.00 per hr. = \$1,485

Administrative Manager 27 hrs. @ \$29.31 per hr. = \$791

#### FY 2026 – Strategy and Communications Office

Associate Research/Data Analyst 40 hrs. @ \$21.64 per hr. = \$857

### **Total Costs \$12,624**

The proposed legislation may cause an increase in telephone inquiries, email correspondence, and new applications for Farm Fleet Registrations received by the Department. If the volume is more significant than anticipated, additional FTE's will be requested through the appropriation 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** also notes OA-ITSD services will be required at a cost of **\$61,372** in FY 2025 (584.5 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.

### Fusion Impact

**DOR** also assumes a cost to the Implementation Consultant \$250/hour x 100 hrs = **\$25,000**

The costs associated with these legislative changes may be outside of the current contract and identified programming work for DOR's incoming integrated system. As such, the department has included the potential costs associated with making the changes to the integrated system by the department's current vendor.

The fiscal impact estimated above is based on changes in the current Department's Motor Vehicle and Driver Licensing 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** does not have information to the contrary and therefore, Oversight will reflect the implementation consultant costs as provided by DOR.

### Revenue Impact

**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.

To create a new plate type, the upfront cost to be covered by the department will be:

- For passenger: 6,000lb and 12,000lb \$125.00
- For every additional weight type:
  - 18,000 lb \$45.00
  - 24,000 lb \$45.00

26,000 lb \$45.00  
30,000 lb \$45.00  
36,000 lb \$45.00  
42,000 lb \$45.00  
48,000 lb \$45.00  
54,000 lb \$45.00  
60,000 lb \$45.00  
66,000 lb \$45.00  
72,000 lb \$45.00  
80,000 lb \$45.00

Total \$665.00

FY 2022: 11,307 plates registered with a farm tab

FY 2023: 11,584 plates registered with a farm tab

The department is unsure how many farmers will meet the requirements of having more than one vehicle registered as a farm vehicle and choose to register as a farm fleet.

Officials from the **Missouri Department of Agriculture, Missouri Department of Transportation and Missouri Highway Patrol** 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 2025 (10 Mo.)	FY 2026	FY 2027
<b>GENERAL REVENUE</b>			
<u>Cost – DOR – OA-ITSD services</u>	(\$61,372)	\$0	\$0
<u>Cost – DOR – Fusion implementation consultant</u>	(\$25,000)	\$0	\$0
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b>(\$86,372)</b>	<b>\$0</b>	<b>\$0</b>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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.

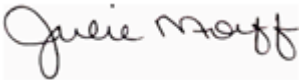
All farm fleet vehicles shall be registered in April or on a prorated basis as provided in the act, and fees for farm fleet vehicles registered on a calendar year or biennial basis shall be payable not later than the last day of April, with 2 years' fees due for biennial registration. The act requires 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.

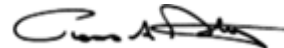
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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 12, 2024



Ross Strobe  
Assistant Director  
January 12, 2024