

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4363H.01I
Bill No.: HB 1754
Subject: Motor Vehicles; Licenses - Motor Vehicle; Law Enforcement Officers and
Agencies
Type: Original
Date: February 26, 2024

Bill Summary: This proposal modifies provisions relating to temporary license plates.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
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 2025	FY 2026	FY 2027
Local Government	Unknown	Unknown	Unknown

FISCAL ANALYSIS

ASSUMPTION

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

This could increase revenue depending on how many penalties are assessed.

Administrative Impact

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

- FTE may be needed; this is unknown at this time.
- The department is unable to determine how many would be assessed due to the seizure of their plates.
- Update procedures, manuals, correspondence letters, and the Department website.
- Complete programming and user acceptance testing; and
- Train staff

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.

General Counsel's Office (GCO) Impact

If the increase is more significant than anticipated or additional laws are passed that impact the General Counsel's Office (GCO), additional FTE or Attorneys may be requested through the appropriations process.

It is unclear how many individuals/attorneys will file a complaint with the Office of Administration - Administrative Hearing Commission or file a petition for review with the Circuit Court challenging the assessed penalty. Legislation is unclear as to who will collect the \$200, whether it is State, County or Municipal Courts. There is no due process for the individual to challenge the \$200 assessed penalty.

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.

Upon further inquiry, **DOR** notes 571,953 temporary permits were issued in FY 2023. DOR cannot determine how many temporary permits are expired at any given time. A large portion of temporary permits are issued by motor vehicle dealers.

Oversight notes, if 10% of these temporary permits were expired, that would equate to \$11,439,000 (57,195 x \$200) in penalty fees if all 10% of those were stopped by law enforcement. Oversight is unable to determine how many drivers have expired temporary permits and how many drivers will be stopped to be inspected by law enforcement; therefore, Oversight will assume an “Unknown” fiscal impact. Fines are distributed to the school district where the violation occurred. For simplicity, Oversight will not reflect the possibility that fine revenue paid to school districts may act as a subtraction in the foundation formula.

Oversight notes, based on information provided by the Office of the State Courts Administrator, there were 20,482 misdemeanor guilty dispositions of failing to register a motor vehicle (§301.020) in FY 2023.

Officials from the **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.

Officials from the **Phelps County Sheriff, Kansas City Police Department** and **St. Louis County Police Department** 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.

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

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
SCHOOL DISTRICTS			
<u>Revenue</u> – §301.140.10 - penalty fees for expired temporary permits	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON SCHOOL DISTRICTS	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>

FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

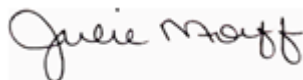
FISCAL DESCRIPTION

This bill authorizes law enforcement officers to stop, inspect, or detain someone solely to determine whether a temporary permit is current. If it has expired, the law enforcement officer must seize the expired temporary permit and assess a penalty of \$200.

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
 Phelps County Sheriff
 Kansas City Police Department
 St. Louis County Police Department
 Office of the State Courts Administrator



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 Director
 February 26, 2024



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 February 26, 2024