

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4158H.01I
Bill No.: HB 2071
Subject: Motor Vehicles; Licenses - Motor Vehicle
Type: Original
Date: January 10, 2022

Bill Summary: This proposal modifies provisions relating to personal property tax obligations and motor vehicle, trailer, and boat registration.

FISCAL SUMMARY

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

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue**, the **Office of Administration - Budget and Planning**, **Missouri Highway Patrol**, **Missouri Department of Transportation** and **Office of the State Auditor** 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.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, county commissioners and county clerks were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

Oversight notes this proposal requires county collectors and collector-treasurers to participate in an electronic data-sharing agreement with the Department of Revenue or otherwise provide personal property tax payment data to the department. Oversight assumes there may be some costs associated with this for some counties; therefore, Oversight will reflect a "\$0 or Unknown" cost to local political subdivisions.

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

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
LOCAL POLITICAL SUBDIVISIONS			
<u>Cost</u> – county collectors and collector-treasurers to provide personal property tax data to the Department of Revenue	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>

FISCAL IMPACT – Small Business

Small business fee offices would be impacted by this proposal.

FISCAL DESCRIPTION

This bill requires license bureau fee offices awarded contracts by the Department of Revenue to electronically verify personal property tax payment data as directed under Section 301.025, RSMo.

The bill also authorizes the option of electronic verification that personal property taxes were paid for the year immediately preceding the year for which registration is applied as an alternative to a paper tax receipt.

Beginning August 28, 2023, no motor vehicle, vessel, or trailer license registration or renewal may be issued until the license bureau fee office electronically verifies that the applicant has paid all personal property taxes due on the motor vehicle, vessel, or trailer.

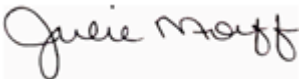
Beginning August 28, 2023, all county collectors and treasurers must participate in the electronic data-sharing agreement with the DOR to enable electronic verification of paid personal property taxes. The costs of implementing this requirement can be charged to the tax maintenance funds established in Chapters 52 and 54.

The bill authorizes the option of electronic verification that personal property taxes were paid for the year immediately preceding the year for which a vessel certificate of number or registration is applied as an alternative to a paper tax receipt.

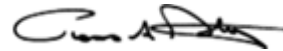
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration - Budget and Planning
Department of Revenue
Missouri Department of Transportation
Missouri Highway Patrol
Office of the Secretary of State
Joint Committee on Administrative Rules
Office of the State Auditor



Julie Morff
Director
January 10, 2022



Ross Strobe
Assistant Director
January 10, 2022