

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4039S.04I
 Bill No.: SB 1156
 Subject: Consumer Protection; Highway Patrol; Department of Revenue; Motor Vehicles;
 Transportation; Licenses - Miscellaneous; Law Enforcement Officers and
 Agencies
 Type: Original
 Date: January 4, 2024

Bill Summary: This proposal exempts certain vehicle dealers from place of business inspections.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General Revenue Fund	(\$37,196)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$37,196)	\$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	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

Administrative Impact

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

- Update procedures, correspondence letters, forms, and the Department website;
- Update the Dealer and Business Operating Manual;
- Send communications to stakeholders as applicable; and
- Train Staff.

FY 2025 – Motor Vehicle Bureau

Lead Administrative Support Assistant 20 hrs. @ \$18.54 per hr. = \$371

Research/Data Analyst 10 hrs. @ \$27.00 per hr. = \$ 270

Administrative Manager 10 hrs. @ \$29.31 per hr. = \$ 293

Associate Research/Data Analyst 40 hrs. @ \$25.22 per hr. = \$1,009

FY 2026 – Systems analysis and Support

Research/Data Analyst 34 hrs. @ \$27.00 per hr. = \$918

Administrative Manager 17 hrs. @ \$29.31 per hr. = \$498

Associate Research/Data Analyst 134 hrs. @ \$21.64 per hr. = \$2,900

FY 2026 – Strategy and Communications Office

Associate Research/Data Analyst 80 hrs. @ \$21.64 per hr. = \$7,990

Total Costs = **\$14,249**

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.

DOR notes OA-ITSD services will be required at a cost of **\$37,196** in FY 2023 (354.25 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 the **Missouri Department of Agriculture** and **Office of Administration** 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
GENERAL REVENUE FUND			
<u>Cost – DOR – OA-ITSD services</u>	<u>(\$37,196)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$37,196)</u>	<u>\$0</u>	<u>\$0</u>

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

FISCAL IMPACT – Small Business

Certain small motor vehicle franchise dealers could be impacted as a result of this proposal.

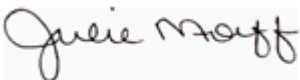
FISCAL DESCRIPTION

This act specifies that applications for a new motor vehicle franchise dealer license shall not be required to include a certification by a law enforcement agency that the dealer has a bona fide place of business, provided that the applicant is a retailer that sells agricultural supplies and is under common ownership and control with at least 5 other new motor vehicle franchise dealers doing business under the same name.

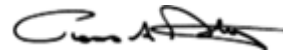
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Missouri Department of Agriculture
Office of Administration
Office of the Secretary of State
Joint Committee on Administrative Rules



Julie Morff
Director
January 4, 2024



Ross Strobe
Assistant Director
January 4, 2024