

HB 2216 -- TECHNOLOGY FUND

SPONSOR: Crawford

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Banking by a vote of 8 to 3.

This bill creates the Department of Revenue Technology Fund to be funded with an \$8.50 administrative fee collected by agents of the Department of Revenue (DOR) for processing the notice of liens on motor vehicles until December 31, 2026. Before July 1, 2026, the bill exempts any unexpended balance at the end of the biennium up to \$25 million from the transfer to the General Revenue Fund. After June 30, 2026, up to \$2 million in unexpended balance at the end of the biennium is exempt from the transfer to the General Revenue Fund.

This bill is similar to SB 898 (2016).

PROPOSERS: Supporters say that this bill will replace the numerous computer systems in DOR with one system. The new system would allow electronic filing of liens and release of liens, collect sales tax at point of sales with an integrated system, combine Motor Vehicle and Drivers systems, allow electronic licensing and titling to be done together, and catch fraud easier with this new system. Individuals could pay the tax by adding it to the cost of a vehicle and financing it with a bank at the time of purchase at a dealership. There is some concern with local license office closings, which should not happen. This will be a modern system and will have better tracking. We want to be like other states so a customer can walk out of a dealership with his/her car licensed, titled and ready to go.

The new system will raise about \$5 million per year, \$50 million in 10 years. This will be enough funding to get it done. The estimate of the cost of the new system is \$30-50 million.

The problem customers have with lien releases and titles is pretty overwhelming. If the system was funded, and we got a new computer system, we wouldn't need this bill. There could be millions of dollars not collected by the state. We are working with DOR on electronic lien release right now. This fee will be passed on to consumers.

Testifying for the bill were Representative Crawford; Missouri Auto Dealers Association (MADA); Missouri Bankers Association; and the Missouri Credit Union Association.

OPPONENTS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say Section 144.140, RSMo, currently allows any seller to retain 2% of the sales tax collected and remitted. Dealers can retain the 2% if they collect and remit the sales tax on vehicle purchases. An on-line portal to pay sales tax, license a car, and do electronic renewals would benefit taxpayers. The State Highway Patrol system could be integrated with a new system for Motor Vehicles which could improve safety.

Testifying on the bill was the Department of Revenue.