

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5228-01
Bill No.: HB 2371
Subject: Motor Vehicles; Licenses - Motor Vehicle; Department of Revenue
Type: Original
Date: February 24, 2020

Bill Summary: This proposal modifies the motor vehicle biennial registration option so that all motor vehicles, regardless of model year, have a two-year registration option.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

Administrative Impact

§307.350 requires that 'any vehicle manufactured as an even-numbered model year shall be inspected and approved pursuant to the safety inspection program established pursuant to Sections 304.350 to 307.390 in each even-numbered calendar year and any such vehicle manufactured as an odd-numbered model year vehicle shall be inspected and approved pursuant to Sections 307.350 to 307.390 in each odd-numbered year.'

§301.020 states that the Director of Revenue shall retain the odometer information provided in the vehicle inspection report. By removing the odd/odd, even/even language in §301.147 the Department may not receive the mileage at time of registration.

This legislation will have a minimal impact on the Department that can be absorbed.

Oversight assumes DOR will use existing staff and will not hire additional FTE to conduct these activities. Oversight assumes there may be a fiscal impact regarding the timing of biennial vehicle registrations that would no longer be tied to the vehicle manufactured year. For example, the state could receive biennial registration fees earlier with this proposal; however, Oversight does not have the data to estimate what this timing impact would be. For simplicity and since the state will receive the same registration fees (over the two or three year period) regardless, Oversight will not represent a net fiscal impact from this proposal.

Officials from the **Department of Public Safety - Missouri Highway Patrol** defer to DOR for the fiscal impact of this proposal.

Officials from the **Department of Transportation** assume the proposal will have no fiscal impact on their organization.

Oversight notes that the agencies mentioned above have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<u>\$0</u>	<u>\$0</u>	<u>\$0</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 repeals the provision of law which requires that vehicles manufactured as an even-numbered model year must be renewed each even-numbered calendar year and that vehicles manufactured as an odd-numbered model year must be renewed each odd-numbered calendar year.

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
Department of Transportation
Department of Public Safety - Missouri Highway Patrol


Julie Morff
Director
February 24, 2020


Ross Strope
Assistant Director
February 24, 2020