

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0113H.01P
Bill No.: Perfected HB 153
Subject: Motor Vehicles; Licenses - Motor Vehicle; Revenue, Department of; Agriculture
Type: Original
Date: February 9, 2021

Bill Summary: This proposal requires the Department of Revenue to establish a system in which persons who own multiple farm vehicles can elect to have the vehicles placed on the same registration renewal schedule.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue	(\$60,432)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$60,432)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
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 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
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.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

Administrative Impact

To incorporate the necessary changes to allow for farm vehicle owners of more than one farm vehicle to make application with the Department to process as a farm fleet for the same registration renewal schedule, various department systems and procedures will need modifications to apply the changes.

FY2021 – Motor Vehicle Bureau (MVB)

Associate Research/Data Analyst	239 hrs. @ \$18.50 per hr.	= \$4,422
Research/Data Analyst	20 hrs. @ \$23.09 per hr.	= \$ 462
Administrative Manager	10 hrs. @ \$21.57 per hr.	= \$ <u>216</u>
Total		\$5,100

FY 2021 – Strategy and Communications Bureau

Research/Data Assistant	4 hrs. @ \$15.49 per hr.	= \$ 62
Associate Research/Data Analyst	13 hrs. @ \$18.50 per hr.	= \$ <u>241</u>
Total		\$ 303

Oversight assumes DOR will use existing staff and will not hire additional FTE to conduct these activities; therefore, Oversight will not reflect the administrative costs DOR has indicated on the fiscal note.

DOR notes OA-ITSD services will be required at a cost of **\$60,432** in FY 2022 (636.12 hours x \$95 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.

DOR notes the current transfer fee is \$2. This proposal does not change that, nor will it result in an increase in transfer transactions; therefore, there should not be a revenue impact. The \$2 fee is not to add a vehicle to a fleet, but to transfer plates to the vehicle if a new vehicle for the fleet is purchased and the owner wants to transfer unexpired license plates from a previous vehicle owned.

In addition, this proposal will not increase the number of farm vehicles that need license plates. Any additional cost to issue plates that say special farm fleet vehicle plates, if any, will be minimal and absorbed as the number of plates being manufactured will not increase.

Officials from the **Missouri Department of Agriculture** and **Missouri Department of Transportation** 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 **Missouri Highway Patrol** defer to the DOR for the potential fiscal impact of this proposal.

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** notes many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office 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 Secretary of State's office for Administrative Rules is less than \$5,000. The Secretary of State's office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize 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 our office can sustain with our core budget. Therefore, we reserve 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 2022 (10 Mo.)	FY 2023	FY 2024
GENERAL REVENUE FUND	<u>(\$60,432)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$60,432)</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

Small agriculture businesses could be positively impacted by this proposal.

FISCAL DESCRIPTION

This bill requires the Department of Revenue to establish a system in which persons who own multiple farm vehicles can elect to have the vehicles placed on the same registration renewal schedule.

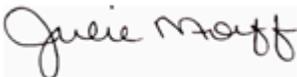
All farm vehicles included in the fleet of a registered farm vehicle fleet owner shall be registered during April or on a prorated basis, as specified in the bill. The bill allows the owner of a farm vehicle fleet to add a farm vehicle or transfer plates to a fleet vehicle. The owner must pay a transfer fee of \$2 for each vehicle transferred.

Farm vehicles registered under this provision shall be issued a special license plate with the phrase "Farm Fleet Vehicle" and be issued multiyear license plates that do not require a renewal tab. The Director of Revenue shall issue a registration certificate or other proof of payment of the annual or biennial fee that must be carried in the vehicle for which it is issued.

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



Julie Morff
Director
February 9, 2021



Ross Strobe
Assistant Director
February 9, 2021