

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3082-02  
Bill No.: SB 747  
Subject: Motor Vehicles; Revenue Department; Licenses - Professional.  
Type: Original  
Date: January 23, 2006

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

ASSUMPTION

Officials from the **Department of Revenue (DOR)** state this legislation requires used car dealers to attend an educational seminar, approved by DOR, before an dealer receives or renews their license. If the dealer is a new applicant, 12 hours of training are required. If they are renewing, 6 hours of training is required. DOR will be required to reject the new/renewal application when proof of training is not submitted.

DOR's responsibility is to approve the training classes required and notify the dealers of the class requirement quarterly (class dates and times).

Based on the assumption that DOR would only notify dealers of the training requirement four times per year, there will be costs for a two-page mailing, envelopes, and postage to approximately 6,000 used vehicle dealers each year. DOR assumes annual expenses from the Motor Vehicle Commission Fund of \$9,200 (FY '07), \$11,371 (FY '08) and \$11,712 (FY '09).

**Oversight** assumes DOR is not required by the legislation to notify car dealers of future educational seminars. Oversight assumes the information could be posted on DOR's web site at no additional annual costs. Therefore, Oversight assumes DOR could implement the proposal with existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small business motor vehicle dealers could be fiscally impacted from the educational requirements specified in this proposal.

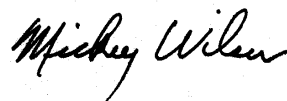
DESCRIPTION

This proposal requires applicants for a used motor vehicle dealer's license to complete an educational seminar course within 12 months of obtaining or renewing a license. If the applicant is seeking an initial license, he or she must submit proof that he or she has completed a 12 hour course approved by the department. If the applicant is renewing his or her license, the applicant must submit proof that he or she has completed a 6-hour course. The provisions of this act shall not apply to wholesale and retail auto auctions, new motor vehicle franchise dealers or motor vehicle leasing agencies.

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



L.R. No. 3082-02  
Bill No. SB 747  
Page 4 of 4  
January 23, 2006

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Director  
January 23, 2006

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