

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1295-01
Bill No.: SB 239
Subject: Motor Vehicles; Licenses - Motor Vehicles; Revenue Department; Boats and Watercraft
Type: Original
Date: February 5, 2007

Bill Summary: This proposal modifies various provisions relating to the certification, licensing and registration of motor vehicles and boats.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	\$475,180	\$570,228	\$570,228
Total Estimated Net Effect on General Revenue Fund	\$475,180	\$570,228	\$570,228

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Corrections** and the **Department of Public Safety - Office of the Director, Highway Patrol** and the **Water Patrol** each assume this proposal would not fiscally impact their respective agencies.

Officials from the **Department of Revenue (DOR)** state they will need to:

- Revise the dealer renewal and new dealer instructions;
- Revise the policy, operating manual and any administrative rules that are affected for both the 8/28/07 and 1/1/09 legislative provisions.
- Procedures/forms will need revised.
- Issue a mailing to boat dealers. These costs will be minimal and will be absorbed.
- Notice regarding affidavit changes would be communicated through the department's Titling Tips publication.

REVENUE IMPACT

Based on FY06 stats, if the same number of applicants are delinquent in titling outboard motors with the new increased title penalties in place as the current penalties, there will be an increase in General Revenue funds in title penalties for outboard motors in the amount of \$475,180 in FY'08 and \$570,228 each fiscal year thereafter.

COA-INFORMATION TECHNOLOGY-IT

Due to the Statewide Information Technology Consolidation, the department's response to a proposal will now also reflect the cost estimates prepared by COA-IT for impact to the various systems. As a result, the impact shown may not be the same as previous fiscal notes submitted. In addition, if the legislation is Truly Agreed to and Finally Passed the COA-IT costs shown will be requested through appropriations by COA-IT.

Office of Administration Information Technology (ITSD DOR) estimates that this legislation could be implemented utilizing existing resources of 2 existing CIT III's for 4 months at a rate of \$4,186 and 1 existing CIT I for 4 month at a rate of \$4,546. However, if priorities shift and additional FTE/overtime would be needed to implement, the cost will be approximately \$51,682. They plan to use existing resources to implement this legislation.

This proposal may increase Total State Revenues.

RS:LR:OD (12/02)

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
GENERAL REVENUE FUND			
<u>Income - Department of Revenue</u>			
Increase in late filing fees for application for the certificate of title	<u>\$475,180</u>	<u>\$570,228</u>	<u>\$570,228</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>\$475,180</u>	<u>\$570,228</u>	<u>\$570,228</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<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

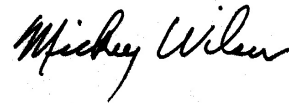
The proposal increases the penalties for delinquent boat titling. Under the current law, a person pays a \$10 penalty fee for each 30 days of delinquency for failing to title a boat within 60 days of acquiring it or bringing it into the state. This proposal increases the penalty fee to \$25. The total penalty fee cannot exceed \$200 (currently \$30) (Section 306.535).

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

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SOURCES OF INFORMATION

Department of Revenue
Department of Public Safety
Department of Corrections

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
February 5, 2007