

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1351-01  
Bill No.: HB 644 with SA 1 and SA 2  
Subject: Licenses - Motor Vehicle: Motor Vehicles; Revenue Department  
Type: Original  
Date: April 23, 2009

---

Bill Summary: This proposal establishes a procedure for adding or deleting a name or names on an application for ownership for a motor vehicle, trailer, outboard motor, motorboat, vessel, water craft, or manufactured home when there is an inconsistency with the notice of lien. It also changes the laws regarding the sale of non-repairable motor vehicles or salvage vehicles to a person who is not a resident of the United States at a salvage pool or salvage disposal sale.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Highway Fund	(\$3,620)	(\$4,345)	(\$4,345)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(\$3,620)</b>	<b>(\$4,345)</b>	<b>(\$4,345)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<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 FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Office of State Courts Administrator** state this proposal will have no fiscal impact on the Courts.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** state this proposal will have no fiscal impact on their agency.

*§301.218 - Salvage vehicles*

Officials from the **Department of Revenue** state this section of the proposed legislation I will have no fiscal impact on their agency.

*§301.190; 306.410; 700.320 - Adding or deleting names on application for ownership (Amendment 1)*

Officials from the **Department of Revenue (DOR)** state this portion of the proposal will have a minimal fiscal impact on their agency.

This would require changes to policies, procedures, and the DOR website. An email will also need to be sent to all lienholders who file their Notice of Liens via the internet notifying them of the change. These costs would be absorbed. Potentially there could be an unknown increase in costs due to increased rejected title application transactions for authorization from the lienholder to add/delete a name at the time application for title is made.

*§430.082 - Certificates of ownership (Amendment 1)*

DOR will need to revise related policies and procedures as well as the DOR website. In FY 08 there were 349 mechanic lien notification letters sent to applicable owners and lien holders. Due to the elimination of the Department's requirement to notify any owners and lien holders by certified mail, there will be savings to General Revenue in the amount of \$957, per year, for

ASSUMPTION (continued)

envelopes, printing, and certified mail postage.

**Oversight** assumes the minimal costs and savings would offset each other and for fiscal note purposes only, will show no fiscal impact.

§301.069 - Driveaway license plates for those licensed as a wholesale motor vehicle auction  
 (Amendment 2)

According to officials from DOR, this section only changes the driveway plate fees for wholesale motor vehicle auctions. For all other entities the fees shall remain at \$44.50 for an annual driveaway plate and \$89 for a biennial driveaway plate. For wholesale motor vehicle auctions the fees shall be \$17 for an annual license plate and \$34 for a biennial license plate.

DOR would need to revise policies/ procedures, form instructions, and the dealer manual as well as notify dealers via Titling Tips, in which there would be no additional costs. IMVDL would need to be updated to reflect this proposal in which the programming changes would be paid out of a pool of hours that have been allocated to the IMVDL project and would be completed at no additional costs.

Driveaway plates are optional and wholesale motor vehicle auctions do not have to get them. Assuming the number of driveaway plates issued remains constant, there would be a loss in fees of \$3,620 in FY 10 and \$4,345 per year thereafter

<u>FISCAL IMPACT - State Government</u>	<u>FY 2010</u> (10 Mo.)	<u>FY 2011</u>	<u>FY 2012</u>
<b>HIGHWAY FUND</b>			
<u>Loss - Dealer license plate fees</u> (§301.069)	<u>(\$3,620)</u>	<u>(\$4,345)</u>	<u>(\$4,345)</u>
<b>ESTIMATED NET EFFECT ON HIGHWAY FUND</b>	<b><u>(\$3,620)</u></b>	<b><u>(\$4,345)</u></b>	<b><u>(\$4,345)</u></b>
 <u>FISCAL IMPACT - Local Government</u>	 <u>FY 2010</u> (10 Mo.)	 <u>FY 2011</u>	 <u>FY 2012</u>
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

Businesses wishing to obtain a Mechanic Lien title will be able to obtain a title, sell the vehicle, and recoup any losses at a quicker rate than currently allowed.

FISCAL DESCRIPTION

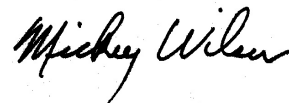
§301.069 - Driveaway license plates for those licensed as a wholesale motor vehicle auction (Amendment 2)

The annual license fee for one set of driveaway license plates issued to a person, firm or corporation licensed by the Department of Revenue as a wholesale motor vehicle auction, as defined in §301.550, shall be seventeen dollars. The fee for biennial driveaway licenses issued to persons, firms, or corporations licensed as wholesale motor vehicle auctions shall be thirty-four dollars.

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 Insurance, Financial Institutions and Professional Registration  
Office of State Courts Administrator



Mickey Wilson, CPA  
Director  
April 23, 2009