

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1351-01  
Bill No.: Truly Agreed To and Finally Passed HB 644  
Subject: Licenses - Motor Vehicle: Motor Vehicles; Revenue Department  
Type: Original  
Date: May 27, 2009

Bill Summary: This proposal establishes procedures relating to the registration and licensing of motor vehicles.

**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> |

| <b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>              |                  |                  |                  |
|---|------------------|------------------|------------------|
| FUND AFFECTED   | FY 2010          | FY 2011          | FY 2012          |
| Highway Fund  | (\$1,375)        | (\$1,375)        | (\$1,375)        |
|   |                  |                  |                  |
| <b>Total Estimated Net Effect on <u>Other</u> State Funds</b> | <b>(\$1,375)</b> | <b>(\$1,375)</b> | <b>(\$1,375)</b> |

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

| <b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>                  |                |                |                |
|---|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>  | <b>FY 2010</b> | <b>FY 2011</b> | <b>FY 2012</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 FULL TIME EQUIVALENT (FTE)</b> |                |                |                |
|---|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                                      | <b>FY 2010</b> | <b>FY 2011</b> | <b>FY 2012</b> |
|   |                |                |                |
|   |                |                |                |
| <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>     |

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## 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 bill will have no fiscal impact on their agency.

#### §301.190; 306.410; 700.320 - Adding or deleting names on application for ownership

Officials from 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

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 each year for 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.

ASSUMPTION (continued)

§301.069 - Driveaway license plates for those licensed as a wholesale motor vehicle auction

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.

Driveaway plates are optional and wholesale motor vehicle auctions do not have to purchase them. Assuming the same number of wholesale auctions will get driveway plates as that currently do today, the loss of revenue to the Highway Fund would be \$1,375 per year.

DOR would need to revise policies/ procedures, form instructions, and the dealer manual. IMVDL (the dealer system) would need to be updated to accommodate the new fees.

| <u>FISCAL IMPACT - State Government</u>               | <u>FY 2010</u>          | <u>FY 2011</u>          | <u>FY 2012</u>          |
|---|-------------------------|-------------------------|-------------------------|
| <b>HIGHWAY FUND</b>                                   |                         |                         |                         |
| <u>Loss - Dealer license plate fees</u><br>(§301.069) | <u>(\$1,375)</u>        | <u>(\$1,375)</u>        | <u>(\$1,375)</u>        |
| <b>ESTIMATED NET EFFECT ON<br/>HIGHWAY FUND</b>       | <b><u>(\$1,375)</u></b> | <b><u>(\$1,375)</u></b> | <b><u>(\$1,375)</u></b> |
| <br>  |                         |                         |                         |
| <u>FISCAL IMPACT - Local Government</u>               | <u>FY 2010</u>          | <u>FY 2011</u>          | <u>FY 2012</u>          |
|   | <u>\$0</u>              | <u>\$0</u>              | <u>\$0</u>              |
| <u>FISCAL IMPACT - Small Business</u>                 |                         |                         |                         |

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

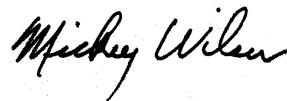
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This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

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



Mickey Wilson, CPA  
Director  
May 27, 2009