

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5133-04
Bill No.: HCS for HB 2198
Subject: Administrative Law, Business and Commerce; Consumer Protection; Licenses - Motor Vehicle
Type: Original
Date: March 22, 2010

Bill Summary: This proposal modifies provisions of the Motor Vehicle Franchise Practices Act.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
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 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
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 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Attorney General** assume that any potential costs arising from this proposal can be absorbed with existing resources.

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.

Officials from the **Office of Administration - Administrative Hearing Commission** anticipate that this proposed legislation will not significantly alter its caseload. However, if other similar bills are passed or if there are more cases, or more complex cases, there could be a fiscal impact.

Officials from the **Department of Revenue (DOR)** provided the following assumptions regarding fiscal impact to their agency:

- A new procedure will need to be created by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$805 in FY 11.
- The dealer licensing manual will need to be revised to include pertinent information related to this proposal by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$805 in FY 11.
- DOR will need to develop an application for licensing of the franchisors, with all required information included. This will require 40 hours of overtime for a Management Analyst Specialist I, at a cost of \$805 in FY 11.
- The DOR web site will need to be updated to include pertinent information. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$218 in FY 11.
- Currently a Revenue Processing Tech I can process 6 dealer applications per hour. It is unknown how many of these franchisor licenses will be applied for per year; therefore, DOR may need to request through the appropriations process additional FTE or overtime to process the applications for a franchisor license.

ASSUMPTION (continued)

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. **Oversight** assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

Information Technology - OA-ITSD (DOR)

DOR is currently designing a new dealer system that these requirements would be incorporated into; however, until the new dealer system is complete DOR has no system available to track and issue licenses to franchisors. It is assumed that until such time as the new system is active, DOR would track franchisors/franchisee's and track/issue licenses manually in a spreadsheet designed by DOR.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<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.

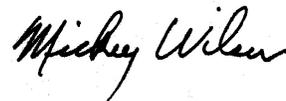
FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

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

Office of Attorney General
Office of Administration
 Administrative Hearing Commission
Office of State Courts Administrator
Department of Revenue
Department of Insurance, Financial Institutions and Professional Registration



Mickey Wilson, CPA
Director
March 22, 2010