

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4810-05  
Bill No.: Perfected SS for SCS for SB 707  
Subject: Highway Patrol; Motor Vehicles; Public Safety Department; Roads and Highways; Transportation  
Type: Original  
Date: April 2, 2014

Bill Summary: This proposal modifies the definition of "all-terrain vehicle," "recreational off-highway vehicle," and "utility vehicle."

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	Unknown - under \$100,000	Unknown - under \$100,000	Unknown - under \$100,000
<b>Total Estimated Net Effect on General Revenue</b>	<b>Unknown - under \$100,000</b>	<b>Unknown - under \$100,000</b>	<b>Unknown - under \$100,000</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
School District Trust	Unknown - under \$100,000	Unknown - under \$100,000	Unknown - under \$100,000
Conservation	Unknown - under \$100,000	Unknown - under \$100,000	Unknown - under \$100,000
Parks and Soils	Unknown - under \$100,000	Unknown - under \$100,000	Unknown - under \$100,000
<b>Total Estimated Net Effect on Other State Funds</b>	<b>Unknown - under \$100,000</b>	<b>Unknown - under \$100,000</b>	<b>Unknown - under \$100,000</b>

Numbers within parentheses: ( ) indicate costs or losses. This fiscal note contains 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</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 2015</b>	<b>FY 2016</b>	<b>FY 2017</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 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Local Government</b>	<b>Unknown - under \$100,000</b>	<b>Unknown - under \$100,000</b>	<b>Unknown - under \$100,000</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Public Safety - Missouri Highway Patrol** and the **Department of Transportation** assume the proposal would not fiscally impact their respective agencies.

Officials from the **Department of Revenue (DOR)** state currently, "all terrain vehicles" (ATV), as defined in 301.010(1), are titled and registered under Section 301.700, RSMo, while "recreational off highway vehicles" (ROV), as currently defined, are not.

By deleting "with a seat designed to be straddled by the operator" and "handlebars for steering control" from the definition of an all terrain vehicle and "with a nonstraddle seat, and steering wheel" from the definition of a recreational off highway vehicle, this may cause confusion and remove any clarity as to the difference between an all terrain vehicle and a recreational off highway vehicle.

These definition changes have effectively shifted some recreational off-highway vehicles into the definition of an ATV. Therefore, there will be a requirement for more recreation off-highway vehicles, now falling under the definition of ATV, to be titled and registered with the Department and taxes to be collected at the time of titling, not at the time of sale.

The Department of Revenue anticipates a slight increase in revenue from the changes. As stated above, more ROV's will now be considered ATV's. Because of this, they will be taxed each time it's sold (upon titling) when they were never taxed after the initial purchase. It is unknown how this will impact total state revenue.

DOR states the sales taxes that would be collected on the resale of an ATV would be collected for the following funds (General Revenue 3%, School District Trust Fund 1%, Conservation .125%, and Parks and Soils .100%). Also, the titling and registration fees would be paid into the General Revenue Fund.

DOR also assumed the proposal would require administrative changes that will result in a level of effort equating to \$1,910 in fiscal year 2015.

**Oversight** assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb some of the costs related to this proposal.

ASSUMPTION (continued)

**Oversight** will assume an unknown amount (under \$100,000) of additional sales tax revenue and titling/registration fee revenue will be collected as a result of this proposal. Oversight does not have information available to determine how many previously-classified "recreational off-highway vehicles" will now be classified as "all-terrain vehicles" as a result of this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
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**GENERAL REVENUE**

<u>Income</u> - Department of Revenue - additional titling/registration fees resulting from change in definition of all-terrain vehicle	Unknown - under \$100,000	Unknown - under \$100,000	Unknown - under \$100,000
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<u>Income</u> - Department of Revenue - additional sales tax collected during titling/registration of used all-terrain vehicle (above \$3,000) because of change in definition	Unknown - <u>under \$100,000</u>	Unknown - <u>under \$100,000</u>	Unknown - <u>under \$100,000</u>
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<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b><u>Unknown - under \$100,000</u></b>	<b><u>Unknown - under \$100,000</u></b>	<b><u>Unknown - under \$100,000</u></b>
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**SCHOOL DISTRICT TRUST FUND**

<u>Income</u> - Department of Revenue - additional sales tax collected during titling/registration of used all-terrain vehicle (above \$3,000) because of change in definition	Unknown - <u>under \$100,000</u>	Unknown - <u>under \$100,000</u>	Unknown - <u>under \$100,000</u>
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<b>ESTIMATED NET EFFECT TO THE SCHOOL DISTRICT TRUST FUND</b>	<b><u>Unknown - under \$100,000</u></b>	<b><u>Unknown - under \$100,000</u></b>	<b><u>Unknown - under \$100,000</u></b>
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<u>FISCAL IMPACT - State Government</u> (continued)	FY 2015 (10 Mo.)	FY 2016	FY 2017
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**CONSERVATION COMMISSION  
 FUND**

<u>Income</u> - Department of Revenue - additional sales tax collected during titling/registration of used all-terrain vehicle (above \$3,000) because of change in definition	<u>Unknown -</u> <u>under \$100,000</u>	<u>Unknown -</u> <u>under \$100,000</u>	<u>Unknown -</u> <u>under \$100,000</u>
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<b>ESTIMATED NET EFFECT TO THE CONSERVATION COMMISSION FUND</b>	<b><u>Unknown -</u> <u>under \$100,000</u></b>	<b><u>Unknown -</u> <u>under \$100,000</u></b>	<b><u>Unknown -</u> <u>under \$100,000</u></b>
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**PARKS AND SOIL FUNDS**

<u>Income</u> - Department of Revenue - additional sales tax collected during titling/registration of used all-terrain vehicle (above \$3,000) because of change in definition	<u>Unknown -</u> <u>under \$100,000</u>	<u>Unknown -</u> <u>under \$100,000</u>	<u>Unknown -</u> <u>under \$100,000</u>
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<b>ESTIMATED NET EFFECT TO THE PARKS AND SOIL FUNDS</b>	<b><u>Unknown -</u> <u>under \$100,000</u></b>	<b><u>Unknown -</u> <u>under \$100,000</u></b>	<b><u>Unknown -</u> <u>under \$100,000</u></b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
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**LOCAL POLITICAL SUBDIVISIONS**

<u>Income</u> - additional sales tax collected during titling/registration of used all-terrain vehicle (above \$3,000) because of change in definition	<u>Unknown - under \$100,000</u>	<u>Unknown - under \$100,000</u>	<u>Unknown - under \$100,000</u>
<b>ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>Unknown - under \$100,000</u></b>	<b><u>Unknown - under \$100,000</u></b>	<b><u>Unknown - under \$100,000</u></b>

FISCAL IMPACT - Small Business

Small businesses that sell these units could be administratively impacted result of this proposal.

FISCAL DESCRIPTION

This act modifies the definitions of "all-terrain vehicle", "recreational off-highway vehicle", and "utility vehicle." For all-terrain vehicles, the requirements that the vehicle have handlebars for steering have been removed and the seat requirement has been changed to one designed for one or more persons. For recreational off-highway and utility vehicles the allowable width has been increased to 67 inches and allowable weight of the utility vehicle has been increased from 1,850 pounds to 2,000 pounds or less to match the recreational off-highway vehicle.

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 Public Safety  
Missouri Highway Patrol  
Department of Transportation  
Department of Revenue

Mickey Wilson, CPA  
Director  
April 2, 2014



Ross Strobe  
Assistant Director  
April 2, 2014