

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6228-02
Bill No.: Perfected HCS for HB 1999
Subject: Liens; Motor Vehicles; Department of Revenue
Type: Original
Date: April 14, 2014

Bill Summary: This proposal changes the laws regarding liens or encumbrances upon a motor vehicle or trailer.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	\$0	\$0	\$0
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

§ 301.640

Officials from the **Department of Revenue (DOR)** assume this proposal allows the DOR to adopt rules and regulations to allow for a lien holder who files a lien electronically to release the lien electronically. The Department is given rule making authority.

It is assumed that only liens filed via the Department's online Notice of Lien system will be allowed to be released online.

DOR assumes the language in this proposal is permissive and the department is unsure of the capabilities to release liens online will be available. For the purposes of this fiscal note the DOR will show the impact beginning in FY `16.

The following procedures will need to be implemented for the changes in this proposal:

- Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours at a cost of \$840 in FY `16.
- The titling manual will need to be revised. This will require 40 hours for a Management Analyst Specialist I, at a cost of \$840 in FY `16.
- The Department's website will need to be updated. This will require 10 hours for an Administrative Analyst III, at a cost of \$230 in FY `16.
- Motor Vehicle Bureau testing for identified system modifications will require 80 hours for each system modification for a total of 160 hours by a Management Analyst Specialist I at a cost of \$3,360 in FY `16.
- The promulgation of rules associated with this section will require 80 hours for a Revenue Manager Band 1 to prepare at a cost of \$2,160, communicate with executive staff, and finalize the administrative rules and 15 hours for an Administrative Office Support Assistant at a cost of \$240 to finalize and complete all filing requirements with the Secretary of State's Office.

ASSUMPTION (continued)

- OA-ITSD system Modifications will require 5,480 hours at a cost of \$27.30 an hour totaling \$149,604 in FY '16.

In summary, DOR assumes a cost of \$157,274 (\$840 + \$840 + \$230 + \$3,360 + \$2,160 + \$240 + \$149,604) in FY 2016 to provide for the implementation of the changes in this proposal.

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.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<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.

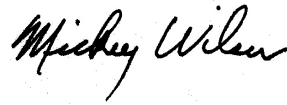
FISCAL DESCRIPTION

The proposed legislation appears to have no direct 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

Department of Revenue
Department of Insurance, Financial Institutions and Professional Registration



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April 14, 2014

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April 14, 2014