

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4944-01
Bill No.: SB 876
Subject: Agriculture; Department of Conservation; Motor Vehicles; Department of Natural Resources; Department of Revenue; Transportation
Type: Original
Date: February 25, 2020

Bill Summary: This proposal modifies provisions relating to the composition of off-highway vehicles.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue	Less than \$100,000	Less than \$100,000	Less than \$100,000
Total Estimated Net Effect on General Revenue	Less than \$100,000	Less than \$100,000	Less than \$100,000

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Revenue (DOR)** assume the following regarding this proposal:

Administrative Impact

To implement the proposed legislation, the Department will be required to:

- Update procedures;
- Update website;
- Provide notification to Powersport dealers; and
- Train staff

FY2021- Motor Vehicle Bureau

Administrative Analyst I	20 hrs. @\$14.70 per hr.	= \$ 294.00
Revenue Manager	10 hrs. @ \$20.59 per hr.	= \$ 205.90

FY 2021- Strategy and Communications Office

Management Analysis Specialist I	10 hrs. @ \$18.42 per hr.	= \$ 184.20
Administrative Analysis II	20 hrs. @ \$18.75 per hr.	= \$ 375.00

Total Costs **= \$1,059.10**

The Department anticipates that we will be able to absorb the above listed administrative costs. If multiple bills pass that require Department resources, FTE may be requested through the appropriations process.

Oversight assumes DOR will use existing staff and will not hire additional FTE to conduct these activities; therefore, Oversight will not reflect the administrative costs DOR has indicated on the fiscal note.

Revenue Impact

The Department anticipates an increase the number of All-Terrain Vehicles that are titled and registered; however, we are unable to estimate the number of additional units that would be required to be titled and registered and to anticipate the amount of additional revenue generated.

ASSUMPTION (continued)

The state and local sales tax would no longer be collected at the time of sale on units 50-55 inches in width and 1,500 pounds or less, which may cause a delay in the collection of the sales taxes.

Current fees collected for All-Terrain Vehicles are:

Title fee	\$ 8.50 per unit
Processing fee	\$12.00 per unit (title and registration)
Registration/Decal Fee	\$10.25 per unit (valid for 3 years)

Title and registration fees collected for All-Terrain Vehicles (ATV's) are distributed to General Revenue.

Oversight inquired of DOR as to how many all-terrain vehicles are currently titled and registered. DOR notes, as of January 7, 2020, there were 135,757 ATV's titled and 61,205 registered. Oversight is unable to determine how many more ATV's will be registered as a result of this proposal; however, Oversight notes it would take an increase of approximately 3,300 ATV's to be titled and registered to exceed \$100,000 in additional revenue ($\$30.75$ title/processing/registration fee total $\times 3,300 = \$101,475$). Oversight will reflect an increase in revenue of "Less than \$100,000" on the fiscal note.

Officials from the **Department of Transportation, Office of Administration, Department of Agriculture, Department of Commerce and Insurance, Department of Natural Resources, Missouri Department of Conservation, Attorney General's Office and Department of Public Safety - Missouri Highway Patrol** each assume the proposal will have no fiscal impact on their respective organizations.

Oversight notes that the agencies mentioned above have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
GENERAL REVENUE FUND			
<u>Revenue - DOR - increase in titling and registering of ATV's p. 4</u>	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small power sport dealers could be impacted as a result of this proposal.

FISCAL DESCRIPTION

This act modifies the definitions of certain off-highway vehicles.

The act modifies definitions of an "all-terrain vehicle" to specify a maximum width of 55 inches rather than 50 inches, and specifies that the width shall be measured from the outsides of the tire rims. (Sections 300.010(2), 301.010(1), 407.815(2), 407.1025(2), and 577.001(3)). Certain definitions, specifying that the vehicles are equipped with low-pressure tires, are amended to instead specify that the vehicles are equipped with "non-highway" tires, and provisions specifying the vehicles are equipped with a seat designed to be straddled by the operator, and handlebars for steering control, are repealed under the act. These definitions are also modified to specify a maximum weight of 1,500 pounds rather than 600 pounds, (sections 300.010(2), 407.815(2), and 407.1025(2)) or rather than 1,000 pounds (section 577.001(3)). The enacted definitions of "all-terrain vehicle" are identical to one another.

The act also modifies the definition of "recreational off-highway vehicle" to specify a minimum width of 55 inches, rather than 50 inches, and a maximum width of 80 inches, rather than 67 inches.

FISCAL DESCRIPTION (continued)

The act also provides that the width shall be measured from the outsides of the tire rims, and specifies a maximum un-laden dry weight of 2,500 pounds rather than 2,000 pounds. (Section 301.010(49))

Lastly, the definition of "utility vehicle" is modified to specify a minimum width of 55 inches, rather than 50 inches, and a maximum width of 80 inches, rather than 67 inches. The act also provides that the width shall be measured from the outsides of the tire rims, and specifies a maximum un-laden dry weight of 2,500 pounds rather than 2,000 pounds. (Section 301.010(70))

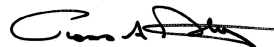
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Department of Transportation
Department of Public Safety - Missouri Highway Patrol
Department of Commerce and Insurance
Missouri Department of Conservation
Department of Agriculture
Department of Natural Resources
Office of Administration
Attorney General's Office



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February 25, 2020



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February 25, 2020