

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1155-01
Bill No.: HB 569
Subject: Business and Commerce; Motor Vehicles; Revenue Dept.
Type: Original
Date: March 29, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Head Injury Fund	Unknown	Unknown	Unknown
Total Estimated Net Effect on <u>Other</u> State Funds	Unknown	Unknown	Unknown

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Department of Economic Development, Department of Public Safety – Missouri State Highway Patrol, and State Treasurer’s Office** assume this proposal would have no fiscal impact on their agencies.

Officials with the **Department of Revenue (DOR)** assume this proposal would require procedural changes, envelopes, forms, and postage. However, DOR assumes the costs related to such items and any additional volume of workload created by this proposal would be minimal and the act could be implemented with existing resources.

Officials from the **Office of Secretary of State (SOS)** assume the proposal may result in the Department of Revenue rescinding, amending, or promulgating rules to implement the provisions of this act. These rules would be published in the Missouri Register and the Code of State Regulations. These rules could require as many as 8 pages in the Code of State Regulations and half again as many pages in the Missouri Register, as cost statements, fiscal notes, and the like are not repeated in the Code. The estimated cost of a page in the Missouri Register is \$23 and the estimated cost of a page in the Code of State Regulations is \$27. Based on these costs, the estimated cost of the proposal is \$492 in FY 06 and unknown in subsequent years. The actual cost could be more or less than the numbers given. The impact of this

legislation in future years ASSUMPTION (continued)

is unknown and depends upon the frequency and length of rules filed, amended, rescinded, or withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which would require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Oversight assumes that if abandoned vehicles are sold at a price exceeding the sum of charges incurred by the repair shop, the excess funds would be deposited into the state's Head Injury Fund as a result of this proposal. **Oversight** has no means by which to estimate the number of abandoned vehicles which would be available for sale, the vehicles' prospective sales prices, or the amount of outstanding charges related to the repairs of such vehicles. Thus, **Oversight** is unable to estimate an amount of deposits into the Head Injury Fund.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
HEAD INJURY FUND			
<u>Income</u> – Excess Abandoned Vehicle Sale Proceeds	Unknown	Unknown	Unknown
ESTIMATED NET EFFECT ON HEAD INJURY FUND	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses that repair automobiles could be enabled to recover an increased amount of unpaid repair charges as a result of this proposal.

DESCRIPTION

This legislation establishes a procedure for automobile repair businesses to sell vehicles that have been abandoned by the owner at the repair shop.

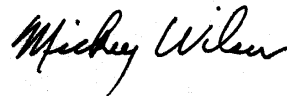
A vehicle left on the premises of an auto repair business will be considered abandoned if it is not claimed by the owner within 90 days or the debt is not paid within 90 days from the completion of the repair work. Ten days after a vehicle is deemed abandoned, repair shops must notify the owner and lienholders of record, by certified mail with return receipt requested, that the vehicle must be claimed within 30 days or it will be dismantled, destroyed, or sold.

The act specifies the requirements for providing proper notice, selling a vehicle by an auto repair business, applying proceeds of a vehicle sale against charges, disposing of excess proceeds from the vehicle sale, titling of a new owner, and promulgating rules by the Department of Revenue.

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
Office of Secretary of State
Department of Economic Development
Department of Public Safety
Missouri State Highway Patrol
State Treasurer's Office



Mickey Wilson, CPA
Director
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