

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3448-01  
Bill No.: HB 1081  
Subject: Licenses: Motor Vehicles  
Type: Original  
Date: March 1, 2006

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue	\$191,325	\$229,590	\$229,590
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$191,325</b>	<b>\$229,590</b>	<b>\$229,590</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
State School Fund	\$63,775	\$76,530	\$76,530
Conservation	\$7,972	\$9,566	\$9,566
Parks and Soil	\$6,378	\$7,653	\$7,653
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$78,125</b>	<b>\$93,749</b>	<b>\$93,749</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
<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 LOCAL FUNDS</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
<b>Local Government</b>	<b>\$95,663</b>	<b>\$114,795</b>	<b>\$114,795</b>

### FISCAL ANALYSIS

#### ASSUMPTION

Officials of the **Department of Revenue - Motor Vehicles Division** assume they will be required to revise policies and procedures relating to the sale and purchase of ATV's. All costs associated with these revisions and collection of taxes will be absorbed internally.

During FY05, there were 2,551 ATV's titled in which no sales tax was collected, from individual to individual sales. For the purpose of this fiscal note, DOR will calculate the additional sales tax revenue collected using \$3,000 as the price of the ATV. The total sales upon which the sales tax would be generated would be \$7,653,000 (\$3,000 x 2,551). The state sales tax of 4.225 percent would generate state sales tax income of \$323,339, distributed between the following funds;

			<u>FY '08 &amp; '09</u>	<u>FY '07 (10 months)</u>
General Revenue	3%	-	\$229,590	\$191,325
School District Fund	1%	-	\$ 76,530	\$ 63,775
Conservation	.125%	-	\$ 9,566	\$ 7,972
Parks and Soil	.100%	-	\$ 7,653	\$ 6,378
TOTAL	4.225%		\$323,339	\$269,450

ASSUMPTION (continued)

Officials of the **Department of Public Safety - State Highway Patrol** assume no fiscal impact.

Officials of the **Missouri Department of Transportation** assume no fiscal impact.

**Oversight** will assume an average local sales tax rate of 1.5%, which will result in local sales taxes of \$114,795 annually (or \$95,663 in FY '07).

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
<b>GENERAL REVENUE FUND</b>			
<u>Income</u> to Department of Revenue from removal of tax exemption on ATVs.	<u>\$191,325</u>	<u>\$229,590</u>	<u>\$229,590</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>\$191,325</u></b>	<b><u>\$229,590</u></b>	<b><u>\$229,590</u></b>
<b>STATE SCHOOL FUND</b>			
<u>Income</u> to School Fund from removal of tax exemption on ATVs.	<u>\$63,775</u>	<u>\$76,530</u>	<u>\$76,530</u>
<b>ESTIMATED NET EFFECT TO STATE SCHOOL FUND</b>	<b><u>\$63,775</u></b>	<b><u>\$76,530</u></b>	<b><u>\$76,530</u></b>
<b>CONSERVATION FUND</b>			
<u>Income</u> to Conservation Fund from removal of tax exemption on ATVs.	<u>\$7,972</u>	<u>\$9,566</u>	<u>\$9,566</u>
<b>ESTIMATED NET EFFECT TO CONSERVATION FUND</b>	<b><u>\$7,972</u></b>	<b><u>\$9,566</u></b>	<b><u>\$9,566</u></b>

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2007 (10 Mo.)	FY 2008	FY 2009
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**PARKS AND SOIL**

<u>Income</u> to Parks and Soil from removal of tax exemption on ATVs.	<u>\$6,378</u>	<u>\$7,653</u>	<u>\$7,653</u>
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<b>ESTIMATED NET EFFECT TO PARKS AND SOIL</b>	<b><u>\$6,378</u></b>	<b><u>\$7,653</u></b>	<b><u>\$7,653</u></b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
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**LOCAL GOVERNMENTS**

<u>Income</u> - Increase Sales Tax Collections on ATV sales.	<u>\$95,663</u>	<u>\$114,795</u>	<u>\$114,795</u>
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<b>ESTIMATED NET EFFECT TO LOCAL GOVERNMENTS</b>	<b><u>\$95,663</u></b>	<b><u>\$114,795</u></b>	<b><u>\$114,795</u></b>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

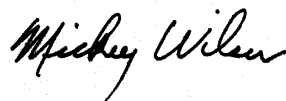
DESCRIPTION

This bill requires that all-terrain vehicles purchased from dealers or private individuals, regardless of the purchase price, be treated in the same manner as motor vehicles for the purpose of transfer, titling, perfection of liens and encumbrances, and the collection of all taxes, fees, and other charges

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 - Motor Vehicles  
Department of Public Safety - State Highway Patrol  
Missouri Department of Transportation

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
March 1, 2006