

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1603-01
Bill No.: HB 567
Subject: Licenses - Motor Vehicle; Motor Vehicles; Revenue Dept
Type: Original
Date: April 18, 2007

Bill Summary: Provides that motor vehicle sales at a salvage pool or a salvage disposal sale shall be open to all potential buyers.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Highway Fund	(\$5,513)	(\$5,513)	(\$5,513)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$5,513)	(\$5,513)	(\$5,513)

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
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 2008	FY 2009	FY 2010
Local Government	\$1,838	\$1,838	\$1,838

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue (DOR)** state this proposal states that DOR will no longer license non-resident salvage businesses and will need to notify said businesses they are no longer required to register, as well as notify Missouri salvage businesses that they are no longer required to register as a salvage dealer in order to buy vehicles at salvage pools. With existing resources, notification will be mailed to the businesses affected by this change. The approximate cost of mailing will be \$977.

Oversight assumes this cost can be absorbed with existing resources.

DOR officials assume there will be a decrease in revenues for highway and local funds in an amount of \$7,350 each year as DOR will no longer issue non-resident salvage ID cards. In FY'06, DOR issued 294 ID cards and collected \$7,350 in related fees.

This proposed legislation could also cause an unknown decrease in revenue because it no longer requires proof in order to buy at salvage pools. Therefore, there may be a decrease in some salvage dealer registrations/fees by no longer requiring purchasers to present their salvage ID card in order to buy at salvage pools.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
HIGHWAY FUND			
<u>Loss - DOR - Fee Revenue due to elimination of salvage ID cards</u>	<u>(\$5,513)</u>	<u>(\$5,513)</u>	<u>(\$5,513)</u>
ESTIMATED NET EFFECT ON HIGHWAY FUND	<u>(\$5,513)</u>	<u>(\$5,513)</u>	<u>(\$5,513)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
POLITICAL SUBDIVISIONS			
<u>Loss</u> - Cities and Counties - Fee Revenue due to elimination of salvage ID cards	<u>(\$1,838)</u>	<u>(\$1,838)</u>	<u>(\$1,838)</u>
ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS	<u>(\$1,838)</u>	<u>(\$1,838)</u>	<u>(\$1,838)</u>

FISCAL IMPACT - Small Business

More businesses will be able to buy at salvage pools without being paying a fee to be registered as a salvage business.

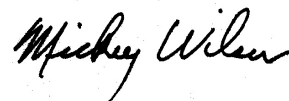
FISCAL DESCRIPTION

This proposal requires that motor vehicle sales at salvage pools or salvage disposal sales be open to all potential buyers.

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



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