

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0862-03
Bill No.: SCS for HB 269 with SA 1 and SA 2
Subject: Licenses - Motor Vehicle: Motor Vehicles; Revenue Department
Type: Original
Date: April 21, 2009

Bill Summary: This proposal establishes a procedure for adding or deleting a name or names on an application for ownership for a motor vehicle, trailer, outboard motor, motorboat, vessel, water craft, or manufactured home when there is an inconsistency with the notice of lien. It also changes the laws regarding the sale of non-repairable motor vehicles or salvage vehicles to a person who is not a resident of the United States at a salvage pool or salvage disposal sale. The proposal amends statute relating to the number of dealer plates that may be issued to any wholesale motor vehicle dealer that is operated in conjunction with a wholesale motor vehicle auction by the same owner.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

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

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Highway Fund	\$1,890	\$1,890	\$1,890
Total Estimated Net Effect on <u>Other</u> State Funds	\$1,890	\$1,890	\$1,890

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
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 2010	FY 2011	FY 2012
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator** state this proposal will have no fiscal impact on the Courts.

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

§301.218 - Salvage vehicles

Officials from the **Department of Revenue** state this section of the proposed legislation I will have no fiscal impact on their agency.

§301.560 - Wholesale motor vehicle dealers

Officials from the **Department of Revenue (DOR)** state their agency would need to revise policies/ procedures, form instructions, and the dealer manual as well as notify dealers via Titling Tips, in which there would be no additional costs. IMVDL would need to be updated to reflect this proposal in which the programming changes would be paid out of a pool of hours that have been allocated to the IMVDL project and would be completed at no additional costs.

Currently, there are 18 wholesale motor vehicle dealerships that also have a wholesale motor vehicle auction license. A dealership's first plate is \$50 with every additional plate being \$10.50. DOR assumes this proposal means that a wholesale motor vehicle dealer that also owns and operates a wholesale motor vehicle auction will be able to obtain an unrestricted number of plates. The number of plates that these types of entities may want to obtain after their first plate is unknown, but assuming each wholesale motor vehicle dealer that owns and operates a wholesale motor vehicle auction gets 10 plates (in addition to their first plate at \$50 in which they would normally get.) There could be an increase to the Highway Fund of \$1,890 (\$10.50 x 180 = \$1,890).

ASSUMPTION (continued)

§301.190; 306.410; 700.320 - Adding or deleting names on application for ownership

Officials from the **Department of Revenue (DOR)** state this portion of the proposal will have a minimal fiscal impact on their agency.

This would require changes to policies, procedures, and the DOR website. An email will also need to be sent to all lienholders who file their Notice of Liens via the internet notifying them of the change. These costs would be absorbed. Potentially there could be an unknown increase in costs due to increased rejected title application transactions for authorization from the lienholder to add/delete a name at the time application for title is made.

§430.082 - Certificates of ownership

DOR will need to revise related policies and procedures as well as the DOR website. In FY 08 there were 349 mechanic lien notification letters sent to applicable owners and lien holders. Due to the elimination of the Department's requirement to notify any owners and lien holders by certified mail, there will be savings to General Revenue in the amount of \$957, per year, for envelopes, printing, and certified mail postage.

Oversight assumes the minimal costs and savings would offset each other and for fiscal note purposes only, will show no fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
HIGHWAY FUND			
Income - Dealer license plate fees (§310.560)	<u>\$1,890</u>	<u>\$1,890</u>	<u>\$1,890</u>
ESTIMATED NET EFFECT ON HIGHWAY FUND	<u>\$1,890</u>	<u>\$1,890</u>	<u>\$1,890</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Businesses wishing to obtain a Mechanic Lien title will be able to obtain a title, sell the vehicle, and recoup any losses at a quicker rate than currently allowed.

FISCAL DESCRIPTION

§301.560 - Wholesale motor vehicle dealers

Currently, wholesale motor vehicle dealers are limited to the number of dealer plates they may be issued. This proposed legislation exempts any wholesale motor vehicle dealer operating in conjunction with a wholesale motor vehicle auction by the same owner from the limitation.

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
Office of State Courts Administrator



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Director
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