

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3260-01
Bill No.: HB 830
Subject: Law Enforcement Officers and Agencies; Motor Vehicles; Roads and Highways.
Type: Original
Date: January 20, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Highway Funds	(\$18,605)	(\$2,310)	(\$2,369)
Total Estimated Net Effect on <u>All</u> State Funds	(\$18,605)	(\$2,310)	(\$2,369)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Transportation** and the **Department of Public Safety** - Divisions of **State Highway Patrol** and **State Emergency Management Agency** each state the proposal would have no fiscal impact on their respective agencies.

Officials from the **Department of Revenue (DOR)** state this proposal allows towers to dispose of towed vehicles (sell them for scrap) if after 90 days and proper notification has been given to the owner, the vehicle remains unclaimed. If the vehicle is sold for scrap the tower must sell the vehicle using a bill of sale and forwarding the completed sale to DOR. DOR assumes that the bill of sale information will be keyed into the General Registration System.

DOR's Driver and Vehicle Services Bureau (DVSB) estimates that approximately 6,000 (25% of the annual volume of abandoned vehicle titles issued) bills of sale would be submitted, requiring additional keying and microfilming. DVSB assumes the need for 120 hours of overtime for Revenue Licensing Tech I and 10 hours of overtime for a Photographic Machine Operator annual to process the additional workload this proposal generates. Currently towers cannot get the title for these transactions; therefore, DOR is not even processing salvage titles for these vehicles. As result, DVSB is requesting overtime costs.

ASSUMPTION (continued)

DVSB assumes overtime costs for the three fiscal years as follows:

FY 2005 (10 months)	\$2,089
FY 2006	\$2,195
FY 2007	\$2,250

In addition, DVSB assumes they will incur costs for procedure changes, forms, envelopes, postage and microfilming in the amounts of \$16,516 in FY 2005, \$115 in FY 2006 and \$119 in FY 2007. In summary, DOR - DVSB assumes a total cost from Highway Funds of \$18,605 in FY 2005, \$2,310 in FY 2006 and \$2,369 in FY 2007.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
HIGHWAY FUNDS			
<u>Costs</u> - overtime, forms, envelopes, and postage	<u>(\$18,605)</u>	<u>(\$2,310)</u>	<u>(\$2,369)</u>
ESTIMATED NET EFFECT TO HIGHWAY FUNDS	<u>(\$18,605)</u>	<u>(\$2,310)</u>	<u>(\$2,369)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal could result in a positive fiscal impact to small towing businesses since they would now have the option to sell unredeemed property for scrap after ninety days.

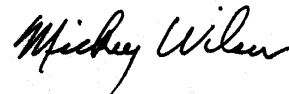
DESCRIPTION

This proposal allows, after proper notification of the owner or lienholder, any towing company to dispose of abandoned property 90 days after the notification. If the property is not claimed, no other arrangements have been made for storage, or the owner has not requested a hearing as required by law, the towing company is authorized to sell the property on a bill of sale as prescribed by the Director of the Department of Revenue to a scrap metal operator for destruction only. The proposal outlines requirements for the sale.

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 Public Safety
 State Highway Patrol
 State Emergency Management Agency
Department of Transportation



Mickey Wilson, CPA
Director
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