

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1286-02
Bill No.: HB 399
Subject: Licenses - Motor Vehicle: Motor Vehicles; Revenue Department
Type: Original
Date: April 17, 2009

Bill Summary: This 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

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

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

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 **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 ($\$10.50 \times 180 = \$1,890$).

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
HIGHWAY FUND			
<u>Income</u> - Dealer license plate fees	<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

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

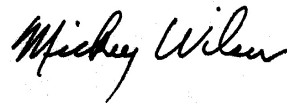
FISCAL DESCRIPTION

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

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

Mickey Wilson, CPA
Director
April 17, 2009