

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4519-02
Bill No.: HCS for HB 1952
Subject: Motor Vehicles; Licenses - Motor Vehicle
Type: Original
Date: February 21, 2020

Bill Summary: This proposal modifies provisions relating to abandoned property.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Revenue (DOR)** assume the following regarding this proposal:

Administrative Impact

To implement the proposed legislation, the Department will be required to:

- Update four internal procedures;
- Update the Notice of Failure to Present Certificate of Title (Form 5044);
- Update the Notice To Owner(s) and Lienholder(s) Regarding Abandoned Vehicle, All Terrain Vehicle (ATV), Vessel, Watercraft, Outboard Motor and Trailer (Form 5227);
- Update the department website;
- Update Abandoned Vehicle Manual;
- Create three new forms to accommodate the new provisions; and
- Send communications to used motor vehicles dealers.

FY 2021 - Motor Vehicle Bureau

Administrative Office Support Assistant	10 hrs. @ \$13.78 per hr.	= \$137.80
Administrative Analyst I	80 hrs. @ \$14.70 per hr.	= \$1,176.00
Revenue Manager	20 hrs. @ \$20.59 per hr.	= \$411.80

FY 2021 - Strategy and Communications Office

Management Analysis Specialist I	90 hrs. @ \$18.42 per hr.	= \$1,657.80
Administrative Analyst II	40 hrs. @ \$18.75 per hr.	= \$750.00

Total Costs **= \$4,133.40**

The Department anticipates being able to absorb the above listed administrative costs. If multiple bills pass that require Department resources, FTE may be requested through the appropriations process.

Oversight assumes DOR will use existing staff and will not hire additional FTE to conduct these activities; therefore, Oversight will not reflect the administrative costs DOR has indicated on the fiscal note.

Officials from the **Department of Commerce and Insurance (DCI)** assume the proposal will have no fiscal impact on their organization.

ASSUMPTION (continued)

Oversight notes that DCI has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for DCI.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Certain small business used motor vehicle dealers may be impacted by this proposal.

FISCAL DESCRIPTION

This bill sets out requirements for and procedures by which a salvage pool and a used motor vehicle dealer can obtain a salvage certificate of title or a junking certificate if the subject vehicle has remained unclaimed for more than 45 days.

The bill also sets out requirements for and a procedure by which an insurer that purchases a vessel or watercraft through the claims adjustment process and for which the insurer cannot obtain a negotiable title can obtain a certificate of title.

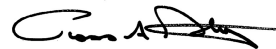
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Department of Commerce and Insurance



Julie Morff
Director
February 21, 2020



Ross Strobe
Assistant Director
February 21, 2020