



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 228** HLS 11RS 505
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.:

Date: May 1, 2011 2:54 PM	Author: ST. GERMAIN
Dept./Agy.: Motor Vehicles	Analyst: Evelyn McWilliams
Subject: Truck Registration Fees	

MOTOR VEHICLES OR +\$4,700,000 SD RV See Note Page 1 of 1
Adjusts method to determine certain truck registration fees

Adjusts registration for class 1 motor trucks, tandem trucks, truck-tractors, or motor trucks used in combination with a trailer or semitrailer with a gross weight of 10,000 pounds or less. For all such trucks, changes registration or license tax to \$28 annually and changes the renewal period to four years. The amount of the current registration or license tax varies and is based on the truck’s gross weight. The current registration or license period for such trucks, which is based on the gross weight of the truck, must be renewed every 2 or 4 years. The legislation also removes the requirement that only noncommercial trucks with a gross weigh of 10,000 pounds or less be eligible for a prestige plate, and allows for all such trucks (commercial and non commercial) to be eligible for a prestige plate.

EXPENDITURES	2011-12	2012-13	2013-14	2014-15	2015-16	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2011-12	2012-13	2013-14	2014-15	2015-16	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$4,700,000	\$4,700,000	\$4,700,000	\$4,700,000	\$4,700,000	\$23,500,000
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$4,700,000	\$4,700,000	\$4,700,000	\$4,700,000	\$4,700,000	\$23,500,000

EXPENDITURE EXPLANATION

The agency indicates it will require one time funding of \$9,089 general fund in FY 12 to provide for overtime expenses for computer programmers to make changes to its existing computer system to reflect the changes provided for in this legislation. The agency estimates approximately 280 hours of overtime (at \$32.46 per hour) will be required to reformat database records, modify renewal invitations, and update its accounting system. The Legislative Fiscal Office believes these expenditures can be provided for within the agency’s existing budget.

REVENUE EXPLANATION

Implementation of the proposed legislation is estimated to generate an additional \$4.7 million annually. The legislation requires a \$28 annual registration or license tax for all class 1 trucks with a gross weight of 10,000 pounds or less. For such trucks with a gross weight of 6,000 pounds or less, the annual payment will increase by \$18 (from \$10 to \$28). For trucks with a gross weight of 6,001 to 8,000 pounds the average annual payment will increase by \$3.50 (from an average of \$24.50 to \$28). For trucks with a gross weight of 8,001 to 10,000 pounds the average annual payment will decrease by \$4.40 (from \$32.40 to \$28).

The current annual payment for trucks with a gross weight of 6,001 to 8,000 pounds is \$0.35 per 100 pounds, and for trucks with a gross weight of 8,001 to 10,000 pounds is \$0.36 per 100 pounds. Based on Public Safety current database counts of trucks in the different weight classes, the estimated annual revenue generated for such trucks for each weight category along with the estimated number of annual renewals is as follows: \$4,835,052 for 268,614 trucks weighing 6,000 pounds or less; \$99,323 for 28,378 trucks weighing 6,001 to 8,000 pounds; -\$194,828 for 44,279 trucks weighing 8,001 to 10,000 pounds.

The Department of Public Safety (DPS) projects that 85% of the revenue (\$4.0 million) will be deposited into the State Highway Improvement Fund, and 15% (\$0.7 million) will be deposited into the Highway Fund #2.

Senate	Dual Referral Rules	House	 _____ Gregory V. Albrecht Chief Economist
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F)1 >= \$500,000 Annual Fiscal Cost {S}	
		<input type="checkbox"/> 6.8(F)2 >= \$100,000 Annual SGF Cost {H&S}	
<input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	