# LEGISLATIVE FISCAL OFFICE
## Fiscal Note

Fiscal Note On: **HB 470** HLS 11RS 855
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

**Date:** May 3, 2011 8:22 AM
**Author:** BURNS, HENRY
**Dept./Agy.:** Motor Vehicles
**Subject:** Expedited Motor Vehicle Title
**Analyst:** Evelyn McWilliams

MOTOR VEHICLES OR +$150,000 SD EX See Note 
Provides for an expedited motor vehicle title process

Requires lending institutions to forward any request to convert an existing paper motor vehicle title to an electronic title to the Office of Motor Vehicles (OMV). Requires OMV to charge lenders no more than $1.50 per title and to deposit proceeds in the Motor Vehicle Customer Service Technology Fund. Provides that public tag agents charge customers no more than $3.50 per title conversion request.

Requires OMV to establish an expedited processing procedure for issuance of motor vehicle titles. Requires OMV to issue titles within 24 hours of the receipt of the initial request. Authorizes a $10 fee for each expedited motor vehicle title transaction and for proceeds to be deposited in the Motor Vehicle Customer Service Technology Fund.

| **EXPENDITURES** | **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 | $150,000 | $0 | $0 | $0 | $0 | **$150,000** |
| Federal Funds | $0 | $0 | $0 | $0 | $0 | **$0** |
| Local Funds | $0 | $0 | $0 | $0 | $0 | **$0** |
| **Annual Total** | **$150,000** | **$0** | **$0** | **$0** | **$0** | **$150,000** |

| **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 | INCREASE | INCREASE | INCREASE | INCREASE | INCREASE | |
| Federal Funds | $0 | $0 | $0 | $0 | $0 | **$0** |
| Local Funds | $0 | $0 | $0 | $0 | $0 | **$0** |
| **Annual Total** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** |

**EXPENDITURE EXPLANATION**

The proposed legislation will result in an increase in expenditures from the Motor Vehicle Customer Service Technology Fund in the amount of $150,000 in FY 12 to provide for the purchase of 100 network printers at $1,500 each ($150,000 total) for each of the 82 motor vehicle field offices. The larger field offices will receive more than one printer. Currently, motor vehicle titles can only be printed at headquarters and none of the field offices has the capability to print motor vehicle titles. These printers will be dedicated solely for printing motor vehicle titles.

The agency estimates $16,640 will be required for approximately 520 hours of overtime (at $32 per hour) for computer programmers to make changes to its existing computer system. The Legislative Fiscal Office believes that any additional IT work associated with this legislation will be required on an incremental basis, and that the Department is likely capable of accomplishing these tasks with their existing resources and budget. To the extent that numerous pieces of legislation are enacted that require additional data processing effort, the Department may need additional resources to accomplish the work.

NOTE: The FY 11 unappropriated fund balance within the OMV Customer Service Technology Fund is projected to be $271,114, which assumes current year appropriation of $6.2 million will be completely expended and the fund collects at least its 3-year average of $6.2 million.

**REVENUE EXPLANATION**

This bill will result in an indeterminable increase in statutory dedicated revenues. Neither the Legislative Fiscal Office nor the Office of Motor Vehicle is able to anticipate the increased revenue resulting from the changes proposed in this legislation. Neither office is able to anticipate the number of people who may request a converted title or the number of persons who will request expedited processing of a motor vehicle title. The legislation authorizes OMV to charge lenders up to $1.50 per title for conversion of a paper title to an electronic title, and $10 per transaction for an expedited motor vehicle title. All additional revenue will be deposited in the Office of Motor Vehicles Customer Service and Technology Fund.

Senate Dual Referral Rules House

[x] 13.5.1 >= $100,000 Annual Fiscal Cost {S&H}
[ ] 13.5.2 >= $500,000 Annual Tax or Fee Change {S&H}
[ ] 6.8(F)1 >= $500,000 Annual Fiscal Cost {S}
[ ] 6.8(F)2 >= $100,000 Annual SGF Cost {H&S}
[ ] 6.8(G) >= $500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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