

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3543-01
Bill No.: SB 1048
Subject: Revenue Dept.; Motor Vehicles; Licenses – Motor Vehicle; Taxation and
Revenue – Property; County Officials
Type: Original
Date: February 13, 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 OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Highway Fund	(\$9,344)	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	(\$9,344)	\$0	\$0

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** assume this proposal would have no fiscal impact on their agency.

Officials with the **Department of Revenue (DOR)** indicated that proposal could have fiscal impact on their agency. DOR assumes that its Information Technology Bureau (ITB) would require 400 hours of overtime programming to develop, program, and test a system that will be accessible to all field offices to determine tax-exempt status of organizations and require proof of status and/or payment of personal property tax. DOR estimates such costs for FY05 to total \$9,344.

Additional costs as assumed by DOR would be for notifying the field of procedural changes. They estimate these costs for FY05 to total \$530. **Oversight** assumes that such procedural changes could be communicated over the course of regular communications with field offices and the costs could be absorbed by existing or planned appropriations.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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HIGHWAY FUND

<u>Cost – DOR</u>			
Programming overtime costs	<u>(\$9,344)</u>	<u>\$0</u>	<u>\$0</u>

ESTIMATED NET EFFECT ON HIGHWAY FUND	<u>(\$9,344)</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

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

DESCRIPTION

This legislation revises proof of property taxes procedures for motor vehicle registrations for certain tax-exempt organizations. If an assessor determines, after the appropriate hearings and appeals processes, that otherwise taxable personal property owned by an exempt organization is not used for purely charitable purposes, the assessor must notify the Department of Revenue of that final determination within 30 days.

Furthermore, to obtain motor vehicle registration, such exempt organizations must provide a document, in a form approved by the Director of Revenue, verifying that the organization is registered or determined by the IRS to be a tax-exempt entity. Otherwise, or if the Director of Revenues notifies the organization that the property is taxable, the organization must provide a statement that the property was assessed and the personal property taxes for the previous year and all delinquent taxes due have been paid.

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

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SOURCES OF INFORMATION

Department of Revenue
Department of Transportation

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large initial "M".

Mickey Wilson, CPA
Director
February 13, 2004