

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4699-01
Bill No.: HB 2042
Subject: Motor Vehicles; Transportation; Revenue Department; Licenses - Misc.
Type: Original
Date: April 1, 2010

Bill Summary: Requires “off-highway vehicle public lands user permits” for non-resident owners of off-highway vehicles which will be operated on Missouri off-highway vehicle public lands.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	\$6,500	\$13,000	\$13,000
Total Estimated Net Effect on General Revenue Fund	\$6,500	\$13,000	\$13,000

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Off-Highway Vehicle Public Lands Fund	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 9 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
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 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Revenue (DOR)** assume the following administrative costs for the Motor Vehicle Bureau:

Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$805 in FY 11.

The Department's web site will need to be updated to include the new requirements. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$218 in FY 11.

The Department would create a new Missouri off-highway vehicle public lands user permits application. The creation of this form would require 40 hours of overtime by a Management Analyst Specialist I at a cost of \$805 in FY 11.

Total cost for FTE in FY 11: \$1,828

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. **Oversight** assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

Officials at the **DOR** assumes that the titling requirements only apply to vehicles which are currently required to be titled, i.e. ATV's, motorcycles, dirt bikes, and qualifying dune buggies. Many of the newly defined "off-highway vehicles" are not currently required to be titled and this proposal does not appear to require such.

DOR will create a new "KOV" ("kind of vehicle") of "OHV" (off-highway vehicle) for those vehicles which are currently required to be titled and the applicant designates as being used for off-highway use only. Appropriate registration will continue to be issued for these items.

When a "KOV" of "OHV" on a title transaction is processed, the applicant will be required to provide the affidavit prescribed in this proposal and a bill of sale. This proposal does not require the applicant to provide a previous certificate of ownership assigned to the applicant nor does this proposal require the applicant to provide a properly assigned manufacturer's certificate of origin.

Requires the Department to issue a "Missouri off-highway vehicle public lands user permit" to a

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ASSUMPTION (continued)

non-resident who will operate an off-highway vehicle on Missouri public lands, Corps of Engineers lands, or on Missouri private for profit off-highway vehicle parks or trail systems.

It is assumed that the permit fees will not be pro-rated by remaining months in the calendar year.

Officials at the **Information Technology – OA-ITSD** (DOR) assume the Motor Vehicle Bureau assumes it will issue titles for off- highway vehicles as defined in 301.190 with a “KOV” (“kind of vehicle”) of “OHV” (off-highway vehicle). This proposal will require less than 40 hours of programming, therefore; the existing staff will absorb the cost.

Permits will not be tracked in any computer system (no requirement in the legislation).

Officials at the **DOR** assume the following revenue impact to the department:

Annual User Permit Fee

It is unknown how many non residents who own these vehicles will require and apply for a Missouri off-highway vehicle public lands user permit. However for every 100 applicants there will be an increase of \$1,750 from the annual user permit fee of \$17.50 that is to be credited to the Off-Highway Vehicle Public Lands Fund.

As well, there will be an increase of \$250 for every 100 permits issued from the \$2.50 administrative fee that is to be charged. **Note:** it is unclear as to which fund or department this fee is to be deposited in.

Replacement Permit Fee

It is unknown how many non residents who own these vehicles will require a replacement Missouri off-highway vehicle public lands user permit. However, for every 100 applicants there will be an increase of \$800 from the replacement permit fee of \$8.00, \$3.00 of which is to be credited to the Off-Highway Vehicle Public Lands Fund. **Note:** it is unclear as to which fund or Department the remaining \$5.00 of every replacement fee is to be deposited in.

Oversight assumes that since the legislation does not address where the administrative fee is to be deposited that it will be deposited into general revenue.

Oversight assumes that since the legislation does not address where the \$5.00 replacement fee should be deposited that it will be deposited into general revenue.

ASSUMPTION (continued)

Officials at the **Department of Natural Resources** assume Missouri annually issues approximately 16,834 day use passes at two Missouri state parks to non-residents using Missouri off highway vehicle public lands. For the purposes of this fiscal note, the department's Division of State Parks (DSP) assumes 5,000 permits would be issued annually.

DSP is aware of two U.S. Forest Service lands where off highway vehicle public highway vehicle public land user permits would be required. According to the U.S. Forest Service approximately 1,541 permits would be issued.

Estimated annual revenue received for the annual issuance of permits equals \$87,500.

DSP is unable to estimate the amount of revenue received as a result of replacement permits, and gifts, bequests, donations, transfers, bequests and other sources of revenue to the fund.

DSP would request .15 FTE Planner III to administer the fund required by this legislation.

For the purposes of the fiscal note the DSP assumes that the fund can only be used as stated and assumes 100 % of the Off Highway Vehicle Public Lands Fund would be utilized each year as required.

Oversight assumes that the Department of Natural Resources can absorb the duties of this proposal with existing staff.

Officials at the **Cass County, St. Louis County, City of Centralia, Office of the State Public Defender, Missouri Department of Conservation** and the **Office of the State Courts Administrator** assume that there is no fiscal impact from this proposal.

Officials at the **Missouri Highway Patrol** assume they will not be involved in providing informational and educational programs and therefore, they will have no fiscal impact.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the

ASSUMPTION (continued)

General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

No other city or county responded to **Oversight's** request for fiscal impact.

Oversight assumes an effective date of January 1, 2011.

Oversight has shown in the fiscal note that all moneys received in the Off-Highway Vehicle Public Lands Fund will be spent each year for the purposes designated in the legislation.

Oversight has shown in the fiscal note that 100 replacement permits would be issued each year.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (6 Mo.)	FY 2012	FY 2013
GENERAL REVENUE			
<u>Income</u> - DOR- administrative fee	\$6,250	\$12,500	\$12,500
<u>Income</u> - DOR - replacement fee	<u>\$250</u>	<u>\$500</u>	<u>\$500</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$6,500</u>	<u>\$13,000</u>	<u>\$13,000</u>
OFF-HIGHWAY VEHICLE PUBLIC LANDS FUND			
<u>Income</u> - DOR- annual permit fee	\$43,750	\$87,500	\$87,500
<u>Income</u> - DOR- replacement fee	\$150	\$300	\$300
<u>Cost</u> - DNR - program expenditures	<u>\$43,900</u>	<u>\$87,800</u>	<u>\$87,800</u>
ESTIMATED NET EFFECT ON OFF-HIGHWAY VEHICLE PUBLIC LANDS FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<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

This bill changes the law regarding off-highway vehicles. In its main provisions, the bill:

- (1) Requires a person when applying for an original certificate of ownership for an off-highway vehicle to submit an affidavit explaining how the vehicle was acquired and a photocopy of the

FISCAL DESCRIPTION (continued)

bill of sale establishing ownership of the vehicle;

(2) Requires a nonresident to annually obtain and display a permit from the Department of Revenue to operate an off-highway vehicle on Missouri's off-highway vehicle public lands, Corps of Engineers lands, or private for-profit off-highway vehicle parks or trail systems in Missouri beginning January 1, 2011, or to display a valid highway license on the vehicle. The cost of the permit will be \$17.50 plus a \$2.50 administration fee;

(3) Requires the department to issue a numbered decal to be prominently displayed on the right front fork, frame, or fender of the off-highway vehicle;

(4) Allows decals to be replaced by filing an affidavit explaining the need for replacement and submitting an \$8 replacement fee;

(5) Specifies that all permits will expire on December 31 of the registration year;

(6) Exempts off-highway vehicles owned and operated by the United States, another state, or any other political subdivision; vehicles participating in officially sanctioned race events; and licensed or unlicensed motorcycles from the permit requirements; and

(7) Creates the Off-highway Vehicle Public Lands Fund to be administered by the Department of Natural Resources for the deposit of all off-highway vehicle public lands user fees and \$3 of the replacement fee as well as gifts, donations, bequests, or appropriated funds. Thirty-five percent of the moneys in the fund must be spent for informational and educational programs relating to safety, the environment, and the responsible use of off-highway vehicle recreation. The remaining 65% must be used for the designation, construction, maintenance, renovation, and repair of off-highway routes and trails; designation, management, and acquisition of land for access roads and off-highway recreation facilities and use areas; enforcement of off-highway vehicle laws; off-highway vehicle-related informational and environmental programs, information, signage, maps, and responsible use programs; mitigation of damages to land, re-vegetation, and the prevention and restoration of damages to natural and cultural resources; and environmental, historical, and cultural clearance or compliance activities. Moneys in the fund cannot be used to construct new off-highway vehicle trails on environmentally or culturally sensitive land unless the appropriate land management agency determines that the new construction would benefit or protect cultural or sensitive sites.

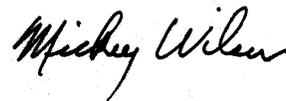
Anyone violating the provisions of the bill will be guilty of an infraction.

FISCAL DESCRIPTION (continued)

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

Cass County
City of Centralia
Department of Natural Resources
Department of Revenue
Missouri Department of Conservation
Missouri Highway Patrol
Office of the State Courts Administrator
Office of the State Public Defender
Office of the Secretary of State
St. Louis County



Mickey Wilson, CPA
Director
April 1, 2010