

BILL SUMMARY
2nd Session of the 52nd Legislature

Bill No.:	SB 1398
Version:	Subcommittee Recommendation
Author:	Rep. Hickman & Sen. Mazzei
Date:	April 7, 2010
Impact:	OTC Administrative Savings
	FY11: \$51,000 for Administrative Savings

Bill Summary

Research Analyst: Dusty Darr

The Subcommittee Recommendation restores the Title on SB1398, which relates to the Oklahoma Vessel and Motor Registration Act. The measure authorizes the Oklahoma Tax Commission to send its required annual notifications of the period for vessel or motor registration that are due to be registered in July of that year via electronic mail. The Subcommittee Recommendation also allows taxpayers to opt out of the notification system. The measure requires that persons who choose to receive annual notification through the mail be assessed an annual fee of Fifty Cents (\$.50) to cover the cost of printing and mailing renewal notifications. An exemption from the aforementioned fee is provided to members of the Armed Forces of the United States, the Reserve Corps of the Armed Forces of the United States and the Oklahoma National Guard and their spouses.

The Tax Commission is also required to provide information on its public website instructing persons on the procedure for obtaining an annual notification via electronic mail free of charge. The information must outline all charges and fees associated with the registration of vessels and motors, as well as an explanation of the apportionment of vessel and motor registration fees and penalties.

Fiscal Summary

Fiscal Analyst: Diane Thomas

Subcommittee Recommendation for ESB 1398 provides taxpayers requesting an annual boat and boat motor registration renewal notice by mail will be charged a \$.50 fee and those requesting an electronic notice will have no fee. Members of the U. S. Armed Forces eligible to receive the annual reduced rate for military registration fees will continued to received annual postcard renewal notices by mail with no charge. Taxpayers also have the option of opting out of the notification system.

Fiscal Analysis

Currently, the Tax Commission (OTC) is required to mail an annual vessel and motor (boat and boat motor) registration notice to all persons (with a previous registration on record) within the state. This measure continues the mandatory requirement that OTC notify taxpayers. However, the taxpayers choosing to receive the notice by mail (by postcard) will be charged an annual fee of \$.50 and those choosing electronic mail renewals will have no charge. Members of the U. S.

Armed Forces eligible to receive the annual reduced rate for military registration fees will continue to receive annual postcard renewal notices by mail with no charge. Taxpayers will also have the option of opting out of the notification system.

Members of the Armed Forces eligible to receive the annual reduced rate military registration fee, will continue to receive an annual postcard renewal notification through the mail free of charge.

OTC anticipates a potential savings of \$51,000 for administrative costs in FY11 as follows:

Description	Administrative Costs
Postage	\$46,115
Materials & Labor	\$ 5,170
Total	\$51,285

Long Term Fiscal Considerations

As stated above.

Fiscal Analysis Reviewed By:

Janice Buchanan

House Fiscal Director