

SB 1983 CCS – Memorandum Prepared 05/21/2012

The CCS for Senate Bill 1983 (Req. No. 3487) authored by Senators Jolley and Justice and Representatives Sears and Martin (Scott) proposes language which would remove the ability for taxpayers to receive a waiver of delinquent vehicle registration penalties pursuant to specific conditions set forth in *OAC 710:60-3-37(b)* indicated below:

710:60-3-37. Waiver of penalties

(a) **Annual registration required generally.** A vehicle must be registered yearly, whether in use or not. If an owner fails to do so, fees and penalties are due for the current year and one previous year.

(b) ***Waiver of penalty available for inoperable vehicle; procedure.*** *If an applicant provides parts or repair receipts and an Affidavit of Inoperative Motor Vehicle (OTC 758) declaring the vehicle was inoperable, the penalties (on both years) may be waived. The repairs must be of a substantial nature and the required documentation must be attached to the request for waiver.*

(c) **Waiver of penalty for certain armed forces personnel.** Oklahoma resident armed forces personnel stationed outside of this state due to official assignment of the US armed forces or Oklahoma National Guard are exempt from the assessment of delinquent registration penalties for the duration of that assignment and for a period of sixty (60) days following that assignment. A completed Armed Forces Affidavit (OTC Form 779), including the delinquent penalty waiver section, is required.

The annualized estimated increase in vehicle registration penalty fee collections associated with this proposed language is \$5,900,000. The corresponding statutory apportionment amounts are amended from \$0.25 to \$0.21 for both motor license agents and motor vehicle apportionment (Title 68, Section 1104) and from \$0.50 to \$0.58 for the General Revenue Fund. Amounts retained by Motor license Agents and designated for motor vehicle apportionment should remain constant as a result of the proposed amendments in SB 1983 (CCS). There is no estimated administrative impact for the Tax Commission associated with the proposed amendments in SB 1983 (CCS).