

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 56<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB2736</b>
<b>Version:</b>	<b>CS</b>
<b>Request Number:</b>	<b>9963</b>
<b>Author:</b>	<b>Kerbs</b>
<b>Date:</b>	<b>3/6/2018</b>
<b>Impact:</b>	<b>see chart below</b>

**Research Analysis**

The committee substitute to HB 2736 provides a mechanism for the registration of noncommercial trailers. Noncommercial trailers are to include implements of husbandry. The measure would require the Tax Commission to issue a distinctive number and certificate of registration and a decal to the owner of a noncommercial trailer. The decal is to be attached to the rear of the trailer in clear view. The fee for registration is set at \$30 for a first trailer to be collected every 3 years. The registration fee for any additional trailers by the same owner is assessed at \$15. The measure apportions 50% of the fee to the General Revenue Fund, 22.5% to the motor license agent, 7.5% to the Firearms Instructors Revolving Fund, and 20% to the Oklahoma State University-Agricultural Extension Division-Educational and General Operations Revolving Fund.

The measure repeals Title 47, Section 1133.3 relating to optional registration of noncommercial trailers.

Prepared By: Brad Wolgamott

**Fiscal Analysis**

HB 2736 provides for a registration of noncommercial trailers every 3 years and provides for apportionment of such fees to the General Revenue Fund (50%), motor license agents (22.5%), the Oklahoma State University-Agricultural Extension Division- Educational and General Operations Revolving Fund (20%), and the Firearms Instructors Revolving Fund (7.5%). Under the provisions of HB 2736 in its current form the registration fee for noncommercial trailers will be \$30 for the first such trailer registered by an entity, and \$15 for second and subsequent trailers registered by such individual.

The Tax Commission estimates that 175,770 trailers would be subject to registration under the provisions of HB 2736. It is unknown what proportion of trailers will be eligible for the \$15 reduced registration fee for second and subsequent trailers. The below chart provides revenue and apportionment estimates based on scenarios with assumptions as to what percentage of trailers are registered as second or subsequent trailers :

<b><u>Revenue Per 3 Year Cycle</u></b>				
	<b>Percentage of Trailers as Second or Subsequent Trailers</b>			
	<b><u>10%</u></b>	<b><u>25%</u></b>	<b><u>50%</u></b>	<b><u>75%</u></b>
General Revenue	\$2,504,723	\$2,306,981	\$1,977,413	\$1,647,844
Motor License Agents	1,127,125	1,038,142	889,836	741,530
OSU-Extension-Rev. Fund	1,001,889	922,793	790,965	659,138
Firearms Instruction Rev. Fund	375,708	346,047	296,612	247,177
<b>3 Year Cycle Total</b>	<b>\$5,009,445</b>	<b>\$4,613,963</b>	<b>\$3,954,825</b>	<b>\$3,295,688</b>
<b><u>Average Annual Revenue</u></b>				
	<b>Percentage of Trailers as Second or Subsequent Trailers</b>			
	<b><u>10%</u></b>	<b><u>25%</u></b>	<b><u>50%</u></b>	<b><u>75%</u></b>
General Revenue	\$834,908	\$768,994	\$659,138	\$549,281
Motor License Agents	375,708	346,047	296,612	247,177
OSU-Extension-Rev. Fund	333,963	307,598	263,655	219,713
Firearms Instruction Rev. Fund	125,236	115,349	98,871	82,392
<b>Avg. Annual Total</b>	<b>\$1,669,815</b>	<b>\$1,537,988</b>	<b>\$1,318,275</b>	<b>\$1,098,563</b>

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**Other Considerations**

None.