

BILL SUMMARY
1st Session of the 56th Legislature

Bill No.:	SB 426
Version:	ENGR
Request Number:	
Author:	Representative Pfeiffer
Date:	4/3/2017
Impact:	OTC: Increases in Used Tire Fees:
	FY-18: \$473,160
	FY-19: \$709,740

Research Analysis

SB 426 defines a “reusable tire,” modifies used tire recycling fees for implements of husbandry, and creates used tire fees for trailers, semitrailers, and motor vehicles. The measure also removes the requirement that tire-derived fuel facilities collect and transport tires on implements of husbandry, but creates a new reimbursement rate for those tires.

Prepared By: Tricia Hines

Fiscal Analysis

From the Oklahoma Tax Commission:

For purposes of this impact, it is estimated that the average travel trailer or commercial trailer when first registered in Oklahoma will be assessed a used tire fee of \$12.00. Oklahoma Tax Commission records indicate that an estimated 48,000 travel trailers and commercial trailers made application for initial registration in Oklahoma in CY16. Multiplying 48,000 by the \$12.00 fee, results in estimated used tire revenues of \$576,000. Deducting the MLA retention amount yields an estimated increase in used tire fee collections of \$518,400. Calculated with an effective date of November 1, 2017 results in an estimated \$345,600 increase in used tire fees for FY 18 and an estimated \$518,400 increase in used tire fees for FY 19.

Additionally, the measure requires a Five Dollar (\$5.00) used tire recycling fee to be assessed on all motor vehicles when first titled under the provisions of Section 1120 of Title 47.

Tax Commission records indicate that 42,532 original titles were issued in CY 16 to trucks/truck tractors which were subsequently registered pursuant to Section 1120 of Title 47. Multiplying 42,532 trucks by the proposed \$5.00 fee, results in estimated used tire fees of \$212,600. Deducting the MLA retention yields additional used tire fee collections of \$191,340.

Data relating to the number of tires for the described equipment upon which a used tire fee is currently imposed is not currently captured in the information reported to the OTC. Therefore, impact related to the proposed used tire fee levies on tires used on implements of husbandry and agricultural equipment is unknown.

Under the proposal Motor License Agents (“MLAs”) are required to remit 90% of the fees assessed on each vehicle registered. Currently MLAs retain \$1.00 of the used tire fee assessed on each vehicle registered.

Net Revenue Impact

Used Tire Fees on Trailers

FY 18: \$345,600 estimated increase in used tire fees for FY 18

FY 19: \$518,400 estimated increase in used tire fees for FY 19

Used Tire Fees on Motor Vehicles First Titled in Oklahoma for registration under 47 O.S. § 1120.

FY 18: \$127,560 estimated increase in used tire fees

FY 19: \$191,340 estimated increase in used tire fees

Used Tire Fees Imposed on Implements of Husbandry and Agricultural Equipment

FY 18: Unknown

FY 19: Unknown

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Other Considerations

None.