

BILL SUMMARY
1st Session of the 56th Legislature

Bill No.:	SB 426
Version:	SUBREC
Request Number:	
Author:	Representative Pfeiffer
Date:	4/10/2017
Impact:	OTC: Unknown Increase in Used Tire Fees

Research Analysis

The subcommittee substitute for SB 426 modifies the Used Tire Recycling Act by adding definitions for a “reusable tire,” “trailer,” “semitrailer,” and “vehicle” and assessments for the latter three. 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. The measure repeals a section in the act that directs the use of excess money in the Waste Tire Recycling Indemnity Fund; however, that language is inserted in 27A OS 1-11-401.4.

Prepared By: Tricia Hines

Fiscal Analysis

From the Oklahoma Tax Commission:

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 \$7.00 fee, results in estimated used tire fees of \$297,724. Deducting the MLA retention yields additional used tire fee collections of \$267,952.

The remaining proposals outlined above will lead to an unknown increase in used tire fees for FY 18 and an unknown increase in FY 19.

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.

The measure will result in an unknown increase in collections of used tire fees for FY 18 and FY 19.

Prepared By: Nicole McPhetridge

Other Considerations

None.

