

**BILL SUMMARY**  
1<sup>st</sup> Session of the 58<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 1065</b>
<b>Version:</b>	<b>INT</b>
<b>Request Number:</b>	<b>5884</b>
<b>Author:</b>	<b>Rep. T. Hardin</b>
<b>Date:</b>	<b>2/23/2021</b>
<b>Impact:</b>	<b>Tax Commission:</b>

**Administrative Cost Estimate:**  
**\$35,000**

**Revenue Change:**  
**Decrease in Motor Vehicle Collections**  
**FY-22: (\$1,491,678)**  
**FY-23: (\$2,237,517)**

**Research Analysis**

HB 1065 allows for the waiver of penalties for late vehicle registration if the vehicle was stolen. The measure clarifies that the maximum penalty for delinquent registration is \$100.

Prepared By: Brad Wolgamott

**Fiscal Analysis**

Analysis provided by the Tax Commission:

**Revenue Impact**

**Penalty Waivers for Stolen Vehicles**

OTC records do not contain information relating to stolen vehicles that are subsequently recovered and then returned to the owner on which the vehicle registration expired while stolen. However, based on the narrow application of the proposed language relating to the waiver of delinquent registration penalty imposed under Sections 1115 and 1132, it is estimated that the revenue impact occurring as a result of these proposals relating to stolen vehicles would be minimal for FY 22 and FY 23.

**Maximum Cumulative Penalty**

The revenue impact provided assumes that the intent of the measure is to cap both registration and transfer penalties imposed on Oklahoma title transfers to the cumulative amount of \$100. Tax Commission registration records for FY 20 indicate 37,764 transactions where registration and transfer penalty were assessed in an amount greater than \$100 for a combined total of \$6,614,606. Penalties average \$175 per transaction ( $\$6,614,606 / 37,764 = \$175$ ). Therefore, under the measure \$75 in penalty per transaction would not be imposed. Therefore, based on the foregoing, the revenue impact for this proposal is projected as a \$2,237,517 decrease in motor vehicle collections. ( $\$75 \times 37,764 = 2,832,300 - \$594,783$  [21% MLA retention] = \$2,237,517).

The measure proposes an effective date of November 1, 2021. For FY 22, the estimated decrease in motor vehicle collections is \$1,491,678 [ $\$2,237,517 / 12 \text{ months} = \$186,460 \times 8 \text{ months} = \$1,491,678$ ]. For FY 23, the estimated decrease in motor vehicle collections is \$2,237,517.

### **Administrative Impact**

Additional administrative costs of \$35,000 are estimated for one to three weeks of developer costs incurred to modify the motor vehicle system to update registration and renewal processes by allowing for an additional penalty override.

Prepared By: Mark Tygret

### **Other Considerations**

None.