

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 58<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 3423</b>
<b>Version:</b>	<b>INT</b>
<b>Request Number:</b>	<b>9067</b>
<b>Author:</b>	<b>Rep. Kerbs</b>
<b>Date:</b>	<b>2/9/2022</b>
<b>Impact:</b>	<b>Tax Commission:</b>

**Motor Vehicle Collection Decrease:**  
**FY-23: (\$710,000)**

**Administrative Cost:**  
**FY-23: \$22,000**

**Research Analysis**

HB 3423 provides that from July 1, 2022 through May 31, 2023, motor license agents operating an authorized online system for services may retain the \$1.56 previously remitted to the Oklahoma Tax Commission. The provisions of this bill are contingent upon the enactment of HB 3419 (Service Oklahoma).

Prepared By: Brad Wolgamott

**Fiscal Analysis**

Analysis provided by the Tax Commission:

The measure proposes to amend 47 O.S. § 1132A which relates to the online vehicle registration system (OKCars) by striking current language which provides that any motor license agent (“MLA”) fees collected by a state agency shall be deposited into the General Revenue Fund. It further provides on July 1, 2022 through May 31, 2023 that MLAs selected through OKCars shall receive all fees provided by the Oklahoma Vehicle License and Registration Act striking the current \$1.56 MLA retention fee reduction for online transactions.

**REVENUE IMPACT**

Currently, MLAs processing online registration transactions receive \$2.00 of the \$3.56 registration fee collected. The \$1.56 is presently apportioned as motor vehicle collections pursuant to Section 1104 of Title 47. The motor vehicle database indicates that a total of 496,000 online transactions were processed in FY 21. Multiplying the \$1.56 x the number of online transactions equals \$774,000. The measure proposes an effective date of July 1, 2022. Assuming similar online transactions for FY 23 as those experienced in FY 21 and adjusting for the 11 month application of the change yields an estimated decrease in motor collections for FY 23 of \$709,500. [ $\$774,000 / 12 \times 11 = \$709,500$ ].

Prepared By: Mark Tygret

**Other Considerations**

## **ADMINISTRATIVE IMPACT**

Additional development costs to update MLA fee amount on the OkCARS online system are anticipated in the amount of \$22,000.

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