

# OKLAHOMA TAX COMMISSION

## REVENUE IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT FIRST REGULAR SESSION, FIFTY-EIGHTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: March 18, 2021

BILL NUMBER: HB 2375 STATUS AND DATE OF BILL: Engrossed 03/08/2021

AUTHORS: House Davis, Talley & Fugate

Senate Bergstrom

TAX TYPE (S): Motor Vehicle SUBJECT: Other

PROPOSAL: Amendatory

The measure proposes to allow noncommercial vehicle owners upon the payment of a five-dollar one-time convenience fee to register two or more noncommercial vehicles at the same time even if they were previously registered in different months. The month in which the noncommercial vehicles are newly registered shall be the month in which their registration is renewed annually. The measure also provides for the noncommercial vehicle registration to be prorated at the time of renewal if previously registered in the same calendar year. It provides that of the five-dollar convenience fee Two dollars and fifty cents shall be deposited to the credit of the Oklahoma Tax Commission Fund created pursuant to 63 O.S. § 221 and Two dollars and fifty cents shall be retained by the motor license agent.

The measure also proposes that in the event a special or personalized license plate is issued pursuant to Sections 1135.1 through 1135.7, any registration fee required for the special/personalized plate and the fee for the standard issue vehicle registration<sup>1</sup> shall be remitted at the same time and be subject to a single registration period. It also provides that the OTC shall establish by rule, a method for making required fee adjustments when a special or personalized license plate is obtained during a twelve-month period for which a registration fee has already been remitted. It further specifies that the combining of fees into a single remittance shall not alter the apportionment otherwise provided by law.

EFFECTIVE DATE: November 1, 2021

### REVENUE IMPACT:

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 22: See attached analysis

FY 23: See attached analysis

### ADMINISTRATIVE IMPACT:

Insert the estimated cost or savings to the Tax Commission due to this proposed legislation.

FY 22: See attached analysis

Mar. 18, 2021  
DATE

Rick Miller  
DIVISION DIRECTOR

bjs

3/19/2021  
DATE

Huan Gong  
HUAN GONG, ECONOMIST

3/22/21  
DATE

[Signature]  
FOR THE COMMISSION

*The revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted.*

<sup>1</sup> 47 O.S. 1132(A)

The measure proposes to allow noncommercial vehicle owners upon the payment of a five-dollar one-time convenience fee to register two or more noncommercial vehicles at the same time even if they were previously registered in different months. The month in which the noncommercial vehicles are newly registered shall be the month in which their registration is renewed annually. The measure also provides for the noncommercial vehicle registration to be prorated at the time of renewal if previously registered in the same calendar year. It provides that of the five-dollar convenience fee Two dollars and fifty cents shall be deposited to the credit of the Oklahoma Tax Commission Fund created pursuant to 63 O.S. § 221 and Two dollars and fifty cents shall be retained by the motor license agent.

- Revenue Impact
  - Due to the reduction in months registered and the proration of corresponding registration fees a minimal decrease in motor vehicle collections is estimated for FY 22 and FY 23.
- Administrative Impact
  - No additional administrative costs are associated with this provision.
  - A minimal increase in deposits to the Oklahoma Tax Commission Fund associated with the proposed convenience fee is anticipated.

The measure also proposes that in the event a special or personalized license plate is issued pursuant to Sections 1135.1 through 1135.7 of Title 47, any registration fee required for the special/personalized plate and the fee for the standard issue vehicle registration<sup>2</sup> shall be remitted at the same time and be subject to a single registration period. It also provides that the OTC shall establish by rule, a method for making required fee adjustments when a special or personalized license plate is obtained during a twelve-month period for which a registration fee has already been remitted. It further specifies that the combining of fees into a single remittance shall not alter the apportionment otherwise provided by law.

- Revenue Impact
  - Due to the reduction in months registered and the proration of corresponding registration fees a minimal decrease in motor vehicle collections is estimated for FY 22 and FY 23.
- Administrative Costs:
  - To implement this proposal, additional administrative costs are anticipated relating to programming for system modification to account for special apportionment for pro-rate/fee adjusted license plates and other related expenditures are estimated at \$58,000.

The measure further proposes amendment to the Oklahoma Statehood Centennial special license plate by changing the fund to which the \$20 of the \$35 license fee is to be deposited from the Oklahoma Capitol Complex and Centennial Commemoration Commission Revolving Fund to the Department of Commerce Revolving Fund, created in Section 5012 of Title 74. It additionally changes the design consulting entity for purposes of the Eastern Red Cedar Tree special license plate from the Eastern Red Cedar Registry Board to the Oklahoma Department of Agricultural, Food and Forestry.

No revenue or administrative impact is estimated for this proposal.

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<sup>2</sup> 47 O.S. 1132(A)