

OKLAHOMA TAX COMMISSION

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

DATE OF IMPACT STATEMENT: March 31, 2022

BILL NUMBER: HB 3421 **STATUS AND DATE OF BILL:** Committee Substitute 03/29/2022

AUTHORS: House Kerbs & Hill Senate Hall

TAX TYPE (S): Motor Vehicle **SUBJECT:** Other

PROPOSAL: Amendatory

The measure proposes amendment to Section 6-101 of Title 47 by providing that beginning July 1, 2022 and ending May 31, 2023 each motor license agent or licensed operator accepting driver license applications for qualifying 100% disabled veterans and for individuals over the age of 65 shall receive \$6.00 for a four year driver license or \$12.00 for an 8-year driver license to be deducted from the motor license agent's or licensed operator's daily receipts.¹ The proposed retention amounts shall not be retained by any state agency. It further defines "licensed operator" to mean an individual who obtains a license from the Service Oklahoma Operator Board to operate a designated Service Oklahoma location and offers third-party fulfillment of designated services to be rendered by Service Oklahoma.

EFFECTIVE DATE: July 1, 2022 - Emergency

REVENUE IMPACT:

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

FY 23: \$2,447,000 decrease in motor vehicle collections

ADMINISTRATIVE IMPACT:

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

FY 23: \$7,000 increase in OTC administrative costs

Mar. 31, 2022
DATE

Rick Miller
DIVISION DIRECTOR

bjs

3/31/2022
DATE

Huan Gong
HUAN GONG, ECONOMIST

4/1/2022
DATE

Joseph P. Bappa
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.

¹ The provisions of this Act are made contingent upon the enactment of the provisions of House Bill 3419 or Senate Bill 1605 of the 2nd Session of the 58th Oklahoma Legislature and shall not become operative as law otherwise.

The measure proposes amendment to Section 6-101 of Title 47 by providing that beginning July 1, 2022 and ending May 31, 2023 each motor license agent or licensed operator accepting driver license applications for qualifying 100% disabled veterans and for individuals over the age of 65 shall receive \$6.00 for a four year driver license or \$12.00 for an 8-year driver license to be deducted from the motor license agent's or licensed operator's daily receipts.² The proposed retention amounts shall not be retained by any state agency. It further defines "licensed operator" to mean an individual who obtains a license from the Service Oklahoma Operator Board to operate a designated Service Oklahoma location and offers third-party fulfillment of designated services to be rendered by Service Oklahoma.

REVENUE IMPACT

Currently, no statutory fee is imposed for qualifying 100% disabled veterans and persons 65 years of age and older to obtain a driver license. Based on CY 2021 Department of Public Safety ("DPS") data, 148,321 four year driver licenses were issued to the referenced groups. Eight year driver licenses became available beginning August of 2021. For August, 2021 through December, 2021, DPS data indicates that 61,780 eight year driver licenses were issued. Utilizing this data, a 12 month projection indicates a total of 148,272 eight year driver licenses related to the subject individuals.

Assuming similar driver license transactions for FY 23 as those experienced in CY 21, accounting for the proposed fees and adjusting for the 11 month application of the change results in a \$2,446,758 increase in motor license agent retention fees for FY 23. The measure directs that these amounts be deducted from the motor license agent's daily receipts. Consequently, a like decrease in motor vehicle collections will also occur for FY 23.

ADMINISTRATIVE IMPACT

Additional development costs to modify the motor vehicle system consistent with the proposed statutory changes are estimated in the amount of \$7,000.

² The provisions of this Act are made contingent upon the enactment of the provisions of House Bill 3419 or Senate Bill 1605 of the 2nd Session of the 58th Oklahoma Legislature and shall not become operative as law otherwise.