

BILL SUMMARY
1st Session of the 59th Legislature

Bill No.:	HB1836
Version:	SUBREC
Request Number:	7786
Author:	Rep. Kerbs
Date:	3/1/2023
Impact:	See Analysis Below

Research Analysis

The Subreq to HB 1836 provides that Service Oklahoma is to determine the compensation to be retained by licensed operators. Service Oklahoma is to review the compensation every even-numbered year and if necessary modify the compensation. Any change in licensed operator compensation become effective on July 1 of the following calendar year. The measure creates the "Licensed Operator Performance Fund" to be distributed to licensed operators in accordance with the applicable metrics determined by Service Oklahoma. In the event that excess funds exist in the Licensed Operator Performance Fund after distribution to licensed operators, the remaining funds are authorized to be expended for the purpose of purchasing back a licensed operator license from a licensed operator. The measure modifies various retention amounts related to fees to be retained by licensed operators. The measure modifies the ability to obtain a driver license for no fee.

The measure repeals [Title 47, Section 1132.5](#) relating to Additional Registration Fee.

Prepared By: Brad Wolgamott

Fiscal Analysis

HB 1836 modifies several statutes related to the Oklahoma Vehicle License and Registration Act, apportionment of motor vehicle collections, driver licenses and ID cards, Service Oklahoma, and licensed operators. The measure specifically allows Service Oklahoma to determine the amount of compensation retained by licensed operators and amends the fee and retention schedule for a variety of fees collected and services provided by licensed operators. This measure creates several different impacts, with an overall increase in amounts going to apportionment under the assumption that everything else is held constant. Below is a quick summary of the total fiscal impact of the changes within this measure.

Fiscal Impact:	\$6M increase to § 1104 apportionment
	\$23M decrease to State Public Safety Fund
	\$2.1M savings to State in licensed operator internet cost

Implementation Costs	\$650,000
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Concerning licensed operators, this measure would increase fee retention by the operators by \$15.8M, a 25.9% increase to the system. The measure no longer entitled licensed operators to retain amounts collected on penalties assessed against citizens. Currently, licensed operators retain roughly \$10M annually on penalties; this amount would instead be directed through the Title 47 O.S. § 1104 apportionment. This measure also no longer allows licensed operators to

retain amounts of excise taxes paid for vehicle purchases. Currently, licensed operators retain roughly \$13M annually on excise tax payments; this amount would instead be directed through the § 1104 apportionment.

Concerning the 'State Public Safety Fund,' this measure makes changes to the fund's revenue sources. This fund currently receives revenues from vehicle registrations and driver licenses issuances, totaling roughly \$23M annually. The measure would instead direct those funds to the § 1104 apportionment; state agencies reliant on this fund, such as the Department of Public Safety, may need additional appropriations to cover this loss.

Concerning motor vehicle collections, this measure directs 1% of motor vehicle collections to a newly created 'Licensed Operator Performance Fund.' This would result in roughly \$8.75M being deposited in this fund, which in turn would result in a reduction in the amount available for apportionment from this source.

Concerning State fund collections, this measure changes the retention amount of licensed operators for both driver licenses issues and fees collected specifically around motor vehicle registration. Currently, licensed operators retain \$3.56 per vehicle registered, which amounts to roughly \$13.4M retained annually from over \$211M in total registration fees collected. The measure instead has licensed operators retain 19% of their registration fees collected, for a new retained total of roughly \$40.2M. This would result in an offsetting reduction of roughly \$26.8M to State funds collections and the § 1104 apportionment.

Concerning driver license credential fees, licensed operators currently retain roughly \$5.8M annually. This measure would instead have licensed operators retain 40% of driver license and ID card credential fees paid by citizens; this change is estimated to have licensed operators retain roughly \$9.5M. This increase of \$3.7M in retention would be represented by an offsetting decrease in State fund collections and § 1104 apportionment.

Concerning credential costs of driver licenses for citizens 62 years of age and older, there is a current graduated reduced credential fee structure. This measure would eliminate this reduced credential fee structure and only provide a reduced fee for citizens 65 years or age and older. This is estimated to generate an additional \$800,000 in State fund collected and § 1104 apportionment.

Service Oklahoma estimates programming costs associated with the revenue and retention changes to total \$650,000. Licensed operators would also become responsible for technology and internet expenses, resulting in a savings of approximately \$2.1M to the State.

Prepared By: Jay St Clair, House Fiscal Staff

Other Considerations

None.