

**BILL SUMMARY**  
1<sup>st</sup> Session of the 60<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB2713</b>
<b>Version:</b>	<b>FULLPCS1</b>
<b>Request Number:</b>	<b>13046</b>
<b>Author:</b>	<b>Rep. Ford</b>
<b>Date:</b>	<b>3/5/2025</b>
<b>Impact:</b>	<b>Modifies various apportionments - 47 O.S. 1104 Monies: Potential Decrease GRF: Revenue Positive</b>

**Research Analysis**

The proposed committee substitute to HB 2713 increases the fine from \$1 per day for late registration to a penalty of \$100 after the registration has been lapsed for 2 months. An additional \$100 is to be assess for each 30 days following the first assessed penalty up to a maximum of \$300. The measure apportionments the assessment.

Prepared By: Brad Wolgamott

**Fiscal Analysis**

The FULLPCS1 to HB2713 increases the penalty cap for expired vehicle registration by 300%, and modifies various apportionments of those collections;

**Penalty Cap:** Increased from \$100 to \$300.

**Apportionments:** Modifies apportionments retained by licensed operators, apportionments to the General Revenue Fund (GRF), and apportionments pursuant to 47 O.S. 1104. 47 O.S. 1104 provides funding mechanisms for:

- School Districts** (Sections B1, B2)
- Rebuilding Oklahoma Access and Driver Safety Fund** (Section B1e)
- State Transportation Fund** (Section D)
- County/Municipal Level Funding** for roads, bridges, and highways (Sections E, F)
- Federal Fund Matching** (Section F2)

	Current	Pursuant to HB2713
<b>Minimum Penalty</b>	\$1 per day	\$100 for each period of 30 days until vehicle is registered
<b>Penalty Cap</b>	\$100.00	\$300
<b>as provided by 47 O.S. 1104</b>	\$0.21 of each \$1	\$5
<b>retained by operator</b>	\$0.21 of each \$1	\$5
<b>deposited into GRF</b>	\$0.58 of each \$1	"All remaining funds"

ServiceOK has provided 9 years of historical data related to these penalties. The summary of the data is as follows:

	# of Penalties	Total Collections	% change in Collections
FY2016	749,952	\$35,359,743.75	
FY2017	808,947	\$37,686,196.38	6.58%
FY2018	753,665	\$37,606,000.75	-0.21%
FY2019	727,252	\$37,349,160.65	-0.68%
FY2020	849,456	\$40,890,424.70	9.48%
FY2021	848,752	\$41,845,571.65	2.34%
FY2022	878,378	\$44,285,829.86	5.83%
FY2023	896,203	\$46,637,100.63	5.31%
FY2024	831,623	\$45,286,097.96	-2.90%
<b>Annual Average</b>	<b>816,025</b>	<b>\$40,771,791.81</b>	<b>3.22%</b>
<b>FY2016 - FY2024</b>	<b>7,344,228</b>	<b>\$366,946,126.33</b>	<b>28.07%</b>

Using simple averages of the FY2016 – FY2024 collections, the State collected \$40,771,791.81 annually. Total collections amount to \$366,946,126.33 over this time-frame.

It is impossible to determine the exact change in collections that would result from passage of this measure. However, it is possible to compare scenarios in which the maximum penalty is assessed, and the following apportionments.

**Current Apportionment of \$100:** Using the current \$1 minimum and \$100 maximum, the apportionment of a \$100 penalty is as follows:

	"Of each \$1"	Minimum Penalty (\$1)	Maximum Penalty (\$100)
Apportioned Pursuant to 47 O.S. 1104	\$0.21	\$0.21	\$21.00
Retained by the Licensed Operator	\$0.21	\$0.21	\$21.00
Deposited into GRF	\$0.58	\$0.58	\$58.00

**HB2713 Apportionment of \$100:** Pursuant to the \$100 minimum and \$100 maximum set forth by HB2713, the apportionment of \$100 would be as follows:

	"of the Total Penalty"	Minimum Penalty (\$100)	Maximum Penalty (\$300)
Apportioned Pursuant to 47 O.S. 1104	\$5.00	\$5.00	\$5.00
Retained by the Licensed Operator	\$5.00	\$5.00	\$5.00
Deposited into GRF	"All remaining Funds"	\$90.00	\$290.00

**Change in Apportionment:** Considering that all new penalties would be a minimum of \$100, the apportionment of that same \$100 would be a 76% decrease to 47 O.S. 1104 monies, a 76% decrease to monies retained by the Licensed Operator, and a 55% increase to monies deposited into the GRF. A summary table is as follows:

	<b>% change in apportionment of \$100</b>
Apportioned Pursuant to 47 O.S. 1104	<b>-76.19%</b>
Retained by the Licensed Operator	<b>-76.19%</b>
Deposited into GRF	<b>55%</b>

Therefore, the following state monies are affected:

**47 O.S. 1104 Collections:** Considering the 634,534 "Prior Year Penalty" types between FY2016–FY2024, it is possible to assume that each of these individuals would have paid the maximum penalty in either scenario. Previous collections at the \$100 maximum for these penalty types amounted to \$51,753,476.13 over 9 years, or \$5,750,386.23 annually. New collections at the \$300 maximum would increase total collections over the same 9 years to \$155,260,428.39, or \$17,251,158.71 annually. This is a minimum annual increase to GRF deposits of \$11,500,772.47.

<b>FY2016 - FY2024</b>		
		<b>3x increase pursuant to HB2713</b>
<b>Total Collections</b>	\$ 51,753,476.13	\$155,260,428.39
<b>Annual Average</b>	\$ 5,750,386.24	\$17,251,158.71
	<b>Potential Annual Increase to GRF Deposits</b>	<b>\$11,500,772.47</b>

The apportionments for 47 O.S. 1104 would be reduced from \$21 to \$5 in each of these cases, and a difference of at least \$16 would instead be deposited into the GRF. In a year with the average number of 70,504 "Prior Year Penalty" types, the 47 O.S. 1104 monies would decrease from \$1,480,563 to \$352,515. This means that on an annual basis, at least \$1,128,048 would be deposited into the GRF instead of being apportioned pursuant to 47 O.S. 1104. This could be offset if other penalty types ultimately result in higher apportionments for 47 O.S. 1104, however this cannot be determined from the given data.

<b>47 O.S. 1104 Apportionments @ Annual Average of 70,504 "Prior Year Penalty" Collection Types</b>		
<b>Previous apportionment of \$100</b>	\$21.00	\$1,480,563.00
<b>New Apportionment out of \$100</b>	\$5.00	\$352,515.00
	<b>Annual Change to 47 O.S. 1104 Monies</b>	<b>(\$1,128,048.00)</b>

**GRF Deposits:** In all cases, deposits to the GRF are likely to increase. However, this could come at the expense of apportionments pursuant to 47 O.S. 1104. This would decrease the amount of funds available to fund school districts, the Rebuilding Oklahoma Access and Driver Safety Fund, the State Transportation Fund, various county and municipal programs (for roads, bridges, and highways), and funds that are available for matching federal dollars.

A more detailed breakdown of the data provided by ServiceOK is as follows:

	<b># of Penalties</b>	<b>Total Collections</b>
<b>FY2016</b>	<b>749,952</b>	<b>\$35,359,743.75</b>
Additional Reg Penalty	73	\$6,136.50
Prior Year Penalty A	189	\$25,431.00
Prior Year Penalty B	46,085	\$4,608,500.00
Prior Year Penalty C	881	\$13,319.00
Prior Year Penalty D	602	\$123,184.00
Prior Year Penalty F	12,410	\$177,936.00
Registration Penalty A	4,343	\$574,358.00
Registration Penalty B	506,551	\$22,963,730.50
Registration Penalty C	2,053	\$39,782.75
Registration Penalty D	6,240	\$693,513.00
Registration Penalty F	34,749	\$369,530.00
Registration Penalty J	1	\$8.00
Transfer Penalty	135,775	\$5,764,315.00

	<b># of Penalties</b>	<b>Total Collections</b>
<b>FY2017</b>	<b>808,947</b>	<b>\$37,686,196.38</b>
Additional Reg Penalty	0	\$0.00
Prior Year Penalty A	280	\$87,023.00
Prior Year Penalty B	46,721	\$4,620,654.24
Prior Year Penalty C	1,120	\$18,030.00
Prior Year Penalty D	649	\$134,126.00
Prior Year Penalty F	11,067	\$163,537.25
Prior Year Registration	59,398	\$2,257,588.64
Registration Penalty A	4,343	\$574,358.00
Registration Penalty B	506,551	\$22,963,730.50
Registration Penalty C	2,053	\$39,782.75
Registration Penalty D	6,240	\$693,513.00
Registration Penalty F	34,749	\$369,530.00
Registration Penalty J	1	\$8.00
Transfer Penalty	135,775	\$5,764,315.00

	<b># of Penalties</b>	<b>Total Collections</b>
<b>FY2018</b>	<b>753,665</b>	<b>\$37,606,000.75</b>
Additional Transfer Penalty	36	\$2,421.25
Prior Year Penalty A	271	\$65,402.00
Prior Year Penalty B	45,772	\$4,569,285.00
Prior Year Penalty C	1,003	\$17,306.00
Prior Year Penalty D	515	\$107,223.00
Prior Year Penalty F	9,022	\$133,114.75
Registration Penalty A	5,058	\$824,060.00
Registration Penalty B	525,487	\$25,293,639.00
Registration Penalty C	1,551	\$32,218.00
Registration Penalty D	6,254	\$771,341.75
Registration Penalty F	28,362	\$320,747.00
Transfer Penalty	130,334	\$5,469,243.00

	<b># of Penalties</b>	<b>Total Collections</b>
<b>FY2018</b>	<b>753,665</b>	<b>\$37,606,000.75</b>
Additional Transfer Penalty	36	\$2,421.25
Prior Year Penalty A	271	\$65,402.00
Prior Year Penalty B	45,772	\$4,569,285.00
Prior Year Penalty C	1,003	\$17,306.00
Prior Year Penalty D	515	\$107,223.00
Prior Year Penalty F	9,022	\$133,114.75
Registration Penalty A	5,058	\$824,060.00
Registration Penalty B	525,487	\$25,293,639.00
Registration Penalty C	1,551	\$32,218.00
Registration Penalty D	6,254	\$771,341.75
Registration Penalty F	28,362	\$320,747.00
Transfer Penalty	130,334	\$5,469,243.00

	<b># of Penalties</b>	<b>Total Collections</b>
<b>FY2020</b>	<b>849,456</b>	<b>\$40,890,424.70</b>
Additional Transfer Penalty	36	\$2,097.60
Prior Year Penalty A	317	\$54,257.00
Prior Year Penalty B	49,577	\$4,933,636.00
Prior Year Penalty C	1,347	\$24,680.00
Prior Year Penalty D	481	\$98,807.00
Prior Year Penalty F	15,429	\$215,790.50
Registration Penalty A	7,139	\$932,103.20
Registration Penalty B	618,755	\$28,524,249.65
Registration Penalty C	1,871	\$38,371.25
Registration Penalty D	5,877	\$680,184.50
Registration Penalty F	27,009	\$342,804.00
Transfer Penalty	121,618	\$5,043,444.00

	<b># of Penalties</b>	<b>Total Collections</b>
<b>FY2021</b>	<b>848,752</b>	<b>\$41,845,571.65</b>
Additional Transfer Penalty	36	\$2,010.00
Prior Year Penalty A	589	\$96,256.00
Prior Year Penalty B	54,095	\$5,386,636.00
Prior Year Penalty C	1,503	\$27,442.00
Prior Year Penalty D	596	\$122,866.00
Prior Year Penalty F	10,929	\$171,060.00
Registration Penalty A	8,944	\$1,212,544.60
Registration Penalty B	621,929	\$29,152,673.05
Registration Penalty C	2,705	\$55,827.25
Registration Penalty D	6,497	\$790,829.00
Registration Penalty F	24,850	\$274,417.75
Transfer Penalty	116,079	\$4,553,010.00

	<b># of Penalties</b>	<b>Total Collections</b>
<b>FY2021</b>	<b>848,752</b>	<b>\$41,845,571.65</b>
Additional Transfer Penalty	36	\$2,010.00
Prior Year Penalty A	589	\$96,256.00
Prior Year Penalty B	54,095	\$5,386,636.00
Prior Year Penalty C	1,503	\$27,442.00
Prior Year Penalty D	596	\$122,866.00
Prior Year Penalty F	10,929	\$171,060.00
Registration Penalty A	8,944	\$1,212,544.60
Registration Penalty B	621,929	\$29,152,673.05
Registration Penalty C	2,705	\$55,827.25
Registration Penalty D	6,497	\$790,829.00
Registration Penalty F	24,850	\$274,417.75
Transfer Penalty	116,079	\$4,553,010.00

	<b># of Penalties</b>	<b>Total Collections</b>
<b>FY2023</b>	<b>896,203</b>	<b>\$46,637,100.63</b>
Additional Transfer Penalty	36	\$1,510.50
Prior Year Penalty A	640	\$124,935.00
Prior Year Penalty B	59,607	\$5,932,219.00
Prior Year Penalty C	1,004	\$17,754.00
Prior Year Penalty D	783	\$159,768.00
Prior Year Penalty F	8,993	\$144,352.25
Registration Penalty A	10,239	\$1,433,610.00
Registration Penalty B	669,414	\$33,091,997.13
Registration Penalty C	2,285	\$47,572.75
Registration Penalty D	6,802	\$857,744.00
Registration Penalty F	26,776	\$309,367.00
Registration Penalty J	2	\$312.00
Transfer Penalty	109,622	\$4,515,959.00

	<b># of Penalties</b>	<b>Total Collections</b>
<b>FY2024</b>	<b>831,623</b>	<b>\$45,286,097.96</b>
Additional Transfer Penalty	37	\$1,894.40
Prior Year Penalty A	1,041	\$118,922.00
Prior Year Penalty B	62,320	\$6,208,428.00
Prior Year Penalty C	941	\$16,417.00
Prior Year Penalty D	777	\$156,819.00
Prior Year Penalty F	9,635	\$154,806.75
Registration Penalty A	7,038	\$990,944.00
Registration Penalty B	631,213	\$32,565,602.65
Registration Penalty C	2,406	\$49,696.00
Registration Penalty D	6,459	\$838,691.75
Registration Penalty F	26,562	\$318,819.25
Transfer Penalty	83,194	\$3,865,057.16

Prepared By: Robert Flipping IV, House Fiscal Staff

**Other Considerations**

None.