



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill # SB0185

Title: Provide for medium speed electric vehicles

Primary Sponsor: Hawks, Bob

Status: As Introduced

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$5,600	\$11,025	\$10,850	\$10,850
State Special Revenue	\$125	\$125	\$0	\$0
Net Impact-General Fund Balance	<u>\$5,600</u>	<u>\$11,025</u>	<u>\$10,850</u>	<u>\$10,850</u>

Description of fiscal Impact:

Titling and vehicle registration fees would increase general fund and state special revenues based upon the determination for the vehicle type for the medium-speed electric vehicles.

FISCAL ANALYSIS

Assumptions:

1. Although SB 185 is effective on passage and approval, it is assumed the implementation of this bill would be July 1, 2007, to allow time for changes and testing in the motor vehicle system to record and track the medium-speed electric vehicles.
2. SB 185 creates a new vehicle type "Medium-speed electric vehicle". Historically, medium-speed electric vehicles have been referred to as light motor vehicles.
3. It is assumed there would be 25 new medium-speed electric vehicles meeting the requirements of this bill that would be titled and registered in FY 2008 and 25 new in FY 2009.
4. FY 2008 titling fee revenues are anticipated to increase \$175 for general fund and \$125 for the motor vehicle information technology state special revenue account and light vehicle registration fees of \$5,425

- for the general fund. (Titling Fees: 25 medium-speed electric vehicles x \$12/light vehicle title = \$300 total titling fees distributed \$7 to general fund and \$5 to SSR for each title fee collected) (Light vehicle registration fees: 25 medium-speed electric vehicles x \$217/vehicle = \$5,425 to state general fund)
5. FY 2009 titling fee revenues are anticipated to increase \$175 for general fund and \$125 for the motor vehicle information technology state special revenue account and light vehicle registration fees \$10,850 for the general fund. (Titling Fees: 25 medium-speed electric vehicles x \$12/light vehicle title = \$300 total titling fees distributed \$7 to general fund and \$5 to SSR for each title fee collected) (Light vehicle registration fees: 50 medium-speed electric vehicles x \$217/vehicle = \$10,850 to state general fund – 25 renewals plus 25 new registrations)
 6. FY 2010 and FY 2011 light vehicle registration fees would increase \$10,850 each year for the state general fund. (50 vehicles x \$217 = \$10,850 – for vehicle years 1 – 4)
 7. If these medium-speed electric vehicles are considered as a completely new vehicle type with its own vehicle type, fee codes and fee structures, it is estimated that the impact on the FY 2007 budget would be \$15,600 for programming on the mainframe (240 hours at \$65/hours contractor expenditure).
 8. For the purposes of this fiscal note it is assumed the medium-speed electric vehicles would be considered as a make and model under the light motor vehicle classification in the Legacy motor vehicle application and the changes necessary in the motor vehicle application would be absorbed into the existing budget by adjusting priorities in the department’s work plan.

	<u>FY 2008</u> <u>Difference</u>	<u>FY 2009</u> <u>Difference</u>	<u>FY 2010</u> <u>Difference</u>	<u>FY 2011</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
<u>Revenues:</u>				
General Fund (01)	\$5,600	\$11,025	\$10,850	\$10,850
State Special Revenue (02)	\$125	\$125	\$0	\$0
TOTAL Revenues	<u>\$5,725</u>	<u>\$11,150</u>	<u>\$10,850</u>	<u>\$10,850</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$5,600	\$11,025	\$10,850	\$10,850
State Special Revenue (02)	\$125	\$125	\$0	\$0

Effect on County or Other Local Revenues or Expenditures:

1. The County Option Tax would increase based upon the value of these vehicles.

Technical Notes:

Motor Vehicle Division - MVD

1. If mainframe programming is necessary to create a new vehicle type for the medium-speed electric vehicles with the mainframe motor vehicle application, implementation of this bill would be delayed until the programming is completed.

2. SB 185 does not specify a vehicle type for the medium-speed electric vehicles; therefore the assumption that these vehicles can be considered light motor vehicles may not be correct. This would need to be clarified to determine the record keeping requirements and the titling and registration fees to be collected.
3. This bill is unclear whether the vehicle safety requirements in Title 61, Chapter 9, MCA, would be applied to these medium-speed electric vehicles.

Montana Highway Patrol - MHP

1. The minimum speed for medium speed vehicles may create conflict with 61-8-311, MCA. This conflict stems from the medium speed vehicle having a maximum speed of 35 MPH being allowed to use roadways posted up to 45 MPH.
2. Law enforcement officers would have a difficult time in enforcing the use restrictions on roadways up to 45 MPH based on the above conflict.
3. The MHP is unable to determine a fiscal impact, since the MHP is uncertain that any citations could be issued.
4. No provision is made for the crossing of roadways greater than 45 MPH. This issue has been of concern in other states with wide use of these types of vehicles, and has been found to be a factor in motor vehicle accidents.

Sponsor's Initials

Date

Budget Director's Initials

Date