



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2015 Biennium

Bill # HB0597

Title: Motor vehicle registration fee waiver for certain disabled persons

Primary Sponsor: Mehlhoff, Robert (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 2014 Difference</u>	<u>FY 2015 Difference</u>	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>
Expenditures:				
General Fund	\$3,300	\$0	\$0	\$0
State Special Revenue	\$2,200	\$0	\$0	\$0
Revenue:				
General Fund	(\$282,002)	(\$283,976)	(\$285,964)	(\$287,966)
State Special Revenue	(\$35,656)	(\$35,904)	(\$36,157)	(\$36,410)
Net Impact-General Fund Balance:	<u>(\$285,302)</u>	<u>(\$283,976)</u>	<u>(\$285,964)</u>	<u>(\$287,966)</u>

Description of fiscal impact:

This bill reduces general fund and state special revenue based on a 50% reduction in fees on motor vehicles for persons who qualify for a disability exemption.

FISCAL ANALYSIS

Assumptions:

Department of Justice

1. HB 597 allows for the waiver of 50% of the vehicle registration fees for one vehicle which is owned by an individual that has been determined to be disabled.
2. Per the Social Security Administration Supplemental Security records for Montana, there are approximately 12,785 recipients of disability ages 18-64. For the purpose of this fiscal note, it is estimated that half (50%) or 6,393 individuals will register a vehicle that qualifies for the waiver under this bill (12,785 individuals x 50% = 6,392.50 individuals).
3. For the purpose of this fiscal note, it is estimated that all vehicles registered under this waiver will be light motor vehicles within the age range of 5-10 years old. These vehicles will not be permanently registered; they will be registered on a year to year basis. The fee for this type of vehicle registration is \$87.00 per

year. Section 1 of HB 597 reduces these fees \$43.50 per year. Fees collected for light vehicle registration are deposited into the state general fund.

4. It is further assumed that the vehicles registered under this waiver will already be assigned a plate, thus the \$10.00 plate fee is not included in this fiscal note analysis.
5. It is estimated that all of these vehicles would pay the parks and fishing access sites fee of \$6.00 per vehicle registered. Section 1 of HB 597 reduces these fees to \$3.00 per year, which is deposited into state special revenue accounts.
6. It is estimated that all of these vehicles would pay the Montana Highway Patrol Recruitment and Retention fee of \$5.00 per vehicle registered. Section 1 of HB 597 reduces these fees to \$2.50 per year, which is deposited into state special revenue accounts.
7. The following tables illustrate the reduction in revenue for both general fund revenues and state special revenues per the information in the above assumptions:

Fiscal Impact of HB 597: Motor Vehicle Division Vehicle Registration Revenue

Motor Vehicle Division	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
SJ 2: Vehicle Tax Growth Rate		0.70%	0.70%	0.70%	0.70%	0.70%
Estimated Vehicle Revenue	\$556,191	\$560,084	\$564,005	\$567,953	\$571,929	\$575,932
Revenue Exemption (50% of fees)			50.00%	50.00%	50.00%	50.00%
Estimated reduction in general fund revenue			\$282,002	\$283,976	\$285,964	\$287,966

Fiscal Impact of HB 597: Montana Fish, Wildlife and Parks Vehicle Registration Fee Revenue

Montana Fish, Wildlife and Parks	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
SJ 2: Vehicle Tax Growth Rate		0.70%	0.70%	0.70%	0.70%	0.70%
Parks and fishing access sites fee (\$ 5.62)	\$35,929	\$36,180	\$36,433	\$36,688	\$36,945	\$37,204
Revenue Exemption (50% of fees)			50.00%	50.00%	50.00%	50.00%
Estimated reduction in revenue			\$18,217	\$18,344	\$18,473	\$18,602

Fiscal Impact of HB 597: Montana Heritage Commission Vehicle Registration Fee Revenue

Montana Heritage Commission	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
SJ 2: Vehicle Tax Growth Rate		0.70%	0.70%	0.70%	0.70%	0.70%
MHC part of parks fee (\$ 0.38)	\$2,429	\$2,446	\$2,463	\$2,481	\$2,498	\$2,516
Revenue Exemption (50% of fees)			50.00%	50.00%	50.00%	50.00%
Estimated reduction in revenue			\$1,232	\$1,240	\$1,249	\$1,258

Fiscal Impact of HB 597: Montana Highway Patrol

Montana Highway Patrol (MHP)	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
SJ 2: Vehicle Tax Growth Rate		0.70%	0.70%	0.70%	0.70%	0.70%
MHP recruitment & retention (\$5.00)	\$31,965	\$32,189	\$32,414	\$32,641	\$32,869	\$33,100
Revenue Exemption (50% of fees)			50.00%	50.00%	50.00%	50.00%
Estimated reduction in revenue			\$16,207	\$16,320	\$16,435	\$16,550

8. The Justice Information Technology division will require approximately 50 programming hours at \$110 per hour to make the changes to the MERLIN system. It will be necessary to create a new customer characteristic, create a new exemption type, create a system edit to only allow the new exemption on one vehicle per customer with the new customer characteristic, modify fee process to allow for percentage adjustments in addition to the current full fee adjustments, and add new exemptions and characteristics to existing reports.

<u>Fiscal Impact:</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
Department of Justice	Difference	Difference	Difference	Difference
<u>Expenditures:</u>				
Personal Services	\$5,500	\$0	\$0	\$0
TOTAL Expenditures	\$5,500	\$0	\$0	\$0
<u>Funding of Expenditures:</u>				
General Fund (01)	\$3,300	\$0	\$0	\$0
State Special Revenue (02)	\$2,200	\$0	\$0	\$0
TOTAL Funding of Exp.	\$5,500	\$0	\$0	\$0
<u>Revenues:</u>				
General Fund (01)	(\$282,002)	(\$283,976)	(\$285,964)	(\$287,966)
State Special Rev. (02) - DOJ/MHP	(\$16,207)	(\$16,320)	(\$16,435)	(\$16,549)
State Special Rev. (02) - FWP	(\$18,217)	(\$18,344)	(\$18,473)	(\$18,602)
State Special Rev. (02) - MHC	(\$1,232)	(\$1,240)	(\$1,249)	(\$1,259)
TOTAL Revenues	(\$317,658)	(\$319,880)	(\$322,121)	(\$324,376)
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$285,302)	(\$283,976)	(\$285,964)	(\$287,966)
State Special Revenue (02)	(\$37,856)	(\$35,904)	(\$36,157)	(\$36,410)

Sponsor's Initials

Date

Budget Director's Initials

Date