

BILL SUMMARY
1st Session of the 58th Legislature

Bill No.:	SB 273
Version:	ENGR
Request Number:	NA
Author:	Rep. Miller
Date:	3/18/2021
Impact:	Tax Commission:

Minimal Increase in Motor Vehicle Collections

Administrative Costs:
Estimated \$120,000

Research Analysis

SB 273 requires any person preparing or assisting in the preparation of lien notices on personal property to register with the Oklahoma Tax Commission and submit a \$50.00 annual registration fee. Any person found to prepare or assist in the preparation of a lien notice without registration is to be assessed a \$100.00 penalty. The provisions of this measure do not apply to a lawful possessor or employee of a lawful possessor of the property for which such notices are issued.

Prepared By: Brad Wolgamott

Fiscal Analysis

Analysis provided by the Tax Commission:

REVENUE IMPACT

OTC Motor Vehicle Division indicates that there are 31 individuals providing Title 42 lien notice preparer services who would fall within the criteria of the proposal. It is estimated an increase in motor vehicle collections of \$1550 (\$50 annual registration fee x 31 Title 42 preparers) if OTC retains the annual fee thereof.

ADMINISTRATIVE COSTS AND CONCERNS

Additional administrative costs of \$120,000 related to programming and motor vehicle system modifications are anticipated. The OTC will require a minimum of three months to change and test the system for implementation. An effective date of January 2022 would provide a sufficient timeframe for implementation if the measure is enacted.

Prepared By: Mark Tygret

Other Considerations

It is unclear from the amendatory language if OTC retains the \$50 annual Title 42 preparer registration fee as well as the \$100 penalty for violation of the new requirements pursuant to the creation of 42 O.S. § 90. Also, it is uncertain if a potential violation occurs when a Title 42 preparer fails to register or to include their name on the notice documentation. Further, the extent to which registration violations and/or outstanding penalties affect the filing/submission of the subject lien notices to and the potential denial thereof by the Tax Commission is not addressed in the proposed amendatory language.

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