

OKLAHOMA TAX COMMISSION

**REVENUE IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT
FIRST REGULAR SESSION, FIFTY-EIGHTH OKLAHOMA LEGISLATURE**

DATE OF IMPACT STATEMENT: February 8, 2021

BILL NUMBER: SB 273 **STATUS AND DATE OF BILL:** Introduced 01/05/2021

AUTHORS: House n/a Senate Quinn

TAX TYPE (S): Motor Vehicle **SUBJECT:** Other

PROPOSAL: New

SB 1750 creates a new section of law in 42 O.S. § 90 which requires a person who prepares or assists in the preparation of lien notices on personal property pursuant to Chapter 2 of 42 O.S to register with and submit a \$50 annual fee to OTC. It further provides that such requirements shall not apply to a lawful possessor or their employee of the property for which Title 42 notices are issued. It stipulates that all documentation related to such notices include the name of the person required to register pursuant to this section. Additionally, it imposes a \$100 penalty upon a person who prepares or assists in the preparation of Title 42 notices in violation of the requirements of this section. It also provides that the OTC shall promulgate rules to effectuate the requirements of this section.

EFFECTIVE DATE: November 1, 2021

REVENUE IMPACT:

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 22: Minimal increase in motor vehicle collections

FY 23: Minimal increase in motor vehicle collections

ADMINISTRATIVE IMPACT:

Insert the estimated cost or savings to the Tax Commission due to this proposed legislation.

FY 22: \$120,000 increase in OTC administrative costs

Feb. 8, 2021
DATE

Rick Miller
DIVISION DIRECTOR

bjs

2/8/2021
DATE

Huan Gong
HUAN GONG, ECONOMIST

2/8/21
DATE

[Signature]
FOR THE COMMISSION

The revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted.

Attachment to Revenue Impact–SB 273–[Introduced] – Prepared February 8, 2021

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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.

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.