

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 59<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>SB2035</b>
<b>Version:</b>	<b>Engrossed</b>
<b>Request Number:</b>	
<b>Author:</b>	<b>Rep. Hilbert</b>
<b>Date:</b>	<b>4/1/2024</b>
<b>Impact:</b>	<b>ServiceOK One-Time Costs: \$934,000</b>
	<b>ServiceOK Recurring Costs: \$199,443</b>

**Research Analysis**

SB 2035 authorizes the Oklahoma New Motor Vehicle Commission and the Oklahoma Used Motor Vehicle, Dismantler, and Manufactured Housing Commission to promulgate rules and procedures to designate and register authorized temporary license plate vendors for use by licensed motor vehicle dealers. The vendor registration fee is not to exceed \$600 and vendors are required to provide pre-printed temporary license plates or equipment to produce temporary license plates to dealers. Dealers must enter purchaser information for each vehicle purchase and submit the information to Service Oklahoma within 2 days of the purchase.

Prepared By: Brad Wolgamott

**Fiscal Analysis**

SB 2035 modifies the registration process of the sale or transfer of a motor vehicle. The measure establishes a 'pre-registration' requirement that Service Oklahoma will develop a new system for, with an estimated one-time fiscal impact of Six Hundred Eighty-Four Thousand dollars (\$684,000.00). The measure also requires Service Oklahoma to develop and implement a public awareness program to inform individuals of the provisions of this measure; Service Oklahoma estimates a one-time fiscal impact of Two Hundred Fifty Thousand dollars (\$250,000.00) to develop this program. The total one-time fiscal impact to Service Oklahoma is Nine Hundred Thirty-Four Thousand dollars (\$934,000.00).

Additionally, this measure would require each vehicle purchased in the state to receive a temporary decal as part of the pre-registration process. Service Oklahoma has determined the cost of each decal to cost Ten Cents (\$0.10). In FY-23, Four Hundred Ninety-Eight Thousand Six Hundred and Seven (498,607) vehicle transactions that included the collection of sales tax occurred in Oklahoma; thus, Service Oklahoma estimates an annual fiscal impact of Forty-Nine Thousand Eight Hundred Sixty dollars and Seventy cents (\$49,860.70) as a result of this temporary decal.

Furthermore, this measure would require every vehicle sale or transfer to have a related pre-registration submission, regardless of whether or not the vehicle is ultimately registered in the state. Service Oklahoma estimates that Ten Percent (10%) of vehicles purchased in Oklahoma are not registered in the state, resulting in approximately Forty-Nine Thousand, Eight Hundred and Sixty (49,860) annual plates that will not be paid for at the time of registration. At an estimated cost of Three dollars (\$3.00) per plate, the annual fiscal impact of these unpaid plates is One Hundred Forty-Nine Thousand Five Hundred Eighty-Two dollars and Ten cents (\$149,582.10).

The total recurring administrative impact due to the new temporary decal and the cost of unregistered plates is estimated to cost One Hundred Ninety Nine Thousand Four Hundred Forty-Two dollars and Eighty cents (\$199,442.80) to the agency.

Lately, this measure requires the pre-registration process to be completed either online or in person at a Service Oklahoma or licensed operator location and provides that Service Oklahoma will determine the amount to be retained by licensed operators for completing pre-registration and issuing the appropriate license plate and/or decal. As a result, it is estimated that One Million Seven Hundred Thirty Thousand dollars (\$1,730,000.00) in associated licensed operator fees is to be retained by the licensed operators. Service Oklahoma anticipates that this decrease in motor vehicle collections is to be recouped with an increase in voluntary compliance and timely registrations as the measure allows Service Oklahoma to actively communicate reminders to vehicle owners about compliance and registration. Thus, this measure is anticipated to be budget neutral towards overall motor vehicle collections.

Prepared By: Jay St Clair, House Fiscal Staff

### **Other Considerations**

None.