

**BILL SUMMARY**  
1<sup>st</sup> Session of the 60<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB1604</b>
<b>Version:</b>	<b>INT</b>
<b>Request Number:</b>	<b>11206</b>
<b>Author:</b>	<b>Rep. Gise</b>
<b>Date:</b>	<b>2/19/2025</b>
<b>Impact:</b>	<b>FY26: \$792,259.50 decrease in revenue</b> <b>FY27: \$1,188,389.26 decrease in revenue</b>

**Research Analysis**

HB1604 provides a motor vehicle excise tax exemption for vehicle transfer between a legal guardian and child or grandparent and grandchild as long as the exchange was made with no consideration.

Prepared By: Quyen Do

**Fiscal Analysis**

As introduced, HB1604 proposes to exempt from the motor vehicle excise tax transactions when a transfer occurs between a nonparental legal guardian and child.

Officials from Service Oklahoma have provided the following analysis:

**Fiscal Impact:** FY26: \$792,259.50 Decrease in Motor Vehicle Collections  
FY27: \$1,188,389.26 Decrease in Motor Vehicle Collections

**Administrative Costs:** None

**Fiscal Impact Report:** According to research done by the Pew Charitable Trusts, a national average of four percent (4%) of children in nonparental care were the subject of a minor guardianship action from 2017 through 2021. Assuming a 100% adoption rate of this new provision, it is estimated that there will be a four percent (4%) increase to family transfers with the passage of this provision. For FY2023, there were 34,079 family transfers on vehicles with an average excise amount of \$871.79. Accordingly, there would be an estimated annual reduction of \$1,188,389.26 to excise tax calculations.

HB1604 has a November 1, 2025 effective date. Accordingly, the impact for FY2026 is estimated at \$792,259.50 ( $\$1,188,389.26/12 \times 8$ ) followed by the full reduction for FY2027.

Prepared By: Zach Penrod, House Fiscal Staff

**Other Considerations**

None.

