

## Department of Planning and Budget 2016 Fiscal Impact Statement

**1. Bill Number:** SB375

|                        |                                                |                                     |                                    |
|------------------------|------------------------------------------------|-------------------------------------|------------------------------------|
| <b>House of Origin</b> | <input checked="" type="checkbox"/> Introduced | <input type="checkbox"/> Substitute | <input type="checkbox"/> Engrossed |
| <b>Second House</b>    | <input type="checkbox"/> In Committee          | <input type="checkbox"/> Substitute | <input type="checkbox"/> Enrolled  |

**2. Patron:** Ruff

**3. Committee:** Transportation

**4. Title:** Pickup or panel truck; definitions

**5. Summary:** This bill amends the definitions of "pickup or panel truck" and "truck" for purposes of Title 46.2 so that pickup or panel trucks registered for personal use and with a gross weight in excess of 7,500 pounds but not in excess of 10,000 pounds are not registered as trucks.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** Preliminary. See Item #8.

**8. Fiscal Implications:** It has been determined that approximately 114,000 vehicles are currently registered as trucks with gross weights between 7,501 pounds and 10,000 pounds. The Department of Motor Vehicles (DMV) would have to rely on vehicle owners to help identify which of those vehicles are for personal use and therefore would require reclassification. The agency estimates incurring \$61,110 in information technology programming costs, which can be absorbed within existing resources.

At this time, the bill's overall effect on revenue cannot be estimated, whether positive or negative. In addition to the variety of vehicles, DMV has identified other factors that make such an estimate difficult:

- Vehicles registered as "pickup and panel trucks" are subject to the emergency medical services fee known as "\$6.25 For Life." Vehicles registered as "trucks" are not. As a result, some reregistered vehicles may be subject to increased annual registration fees under this bill; however, others would see reduced registration fees if owners lower the gross weights at which the vehicles are registered. Additional "\$6.25 For Life" fees would benefit emergency medical services programs; but, lower registration fees may reduce highway maintenance funds.
- Reregistered vehicles would be eligible to display special license plates, which carry one-time or annual plate fees in addition to registration fees. DMV cannot estimate the number of vehicle owners who might choose special plates. However, the agency is

aware that there is interest. Revenue from special plates may be designated for DMV use or shared with qualifying entities, based on the individual plates chosen.

- Reregistering these vehicles as personal-use “pickup or panel trucks” would allow them to qualify for personal property tax relief (PPTR). Local commissioners of revenue would make that determination. PPTR rules require localities to recalculate tax rates and collections annually based on the pool of qualifying vehicles. DMV is unable to estimate the potential impact of this bill on administrative costs or tax collections for local governments.

**9. Specific Agency or Political Subdivisions Affected:** Department of Motor Vehicles.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.

**Date:** 1/21/16

**Document:** Janet Vogelgesang G:\16-18\FIS 2016\SB375.docx

c: Secretary of Transportation