GOVERNOR'S OFFICE OF BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

Bill #	SB0347	**Title:**	Revise laws governing ATV registration and use
Primary Sponsor:	Laible, Rick	**Status:**	As Introduced

- ☐ Significant Local Gov Impact
- ☑ Needs to be included in HB 2
- ☑ Technical Concerns
- ☐ Included in the Executive Budget
- ☐ Significant Long-Term Impacts
- ☐ Dedicated Revenue Form Attached

FISCAL SUMMARY

	FY 2010 Difference	FY 2011 Difference	FY 2012 Difference	FY 2013 Difference
Expenditures:				
General Fund	$150,824	$20,200	$20,200	$20,200
Other	$243	$486	$486	$486
Revenue:				
General Fund	$3,767	$7,533	$7,533	$7,533
Other	$972	$1,944	$1,944	$1,944
Net Impact-General Fund Balance:	($147,057)	($12,667)	($12,667)	($12,667)

Description of fiscal impact:

The increased revenue from this bill offsets some of the additional operating costs, however, programming costs related to changes in the Montana Enhanced Registration and Licensing Information Network (MERLIN) result in a negative impact on the general fund in FY 2010.

SB 347 is one of several bill drafts that seek to modify motor vehicle laws and therefore the motor vehicle licensing system (MERLIN). The fiscal note for each bill will be prepared based on the effect of the individual bill. However, when viewed as a package, the cumulative effect of passage of more than one bill will require additional analysis and may provide opportunities to share or redistribute costs.

The fiscal impact to the Department of Corrections budget reflects the cost of only the raw materials to produce the license plates needed for the passage of SB347. Other operating expenditures are covered by the base budget.

FISCAL ANALYSIS

Assumptions:

Department of Justice

Motor Vehicle Division (MVD)

1. It is assumed that the number of non-resident off-highway vehicle permits sold in 2008 (about 1,215) will continue at an equal level and that 20 percent of those sold would apply for a dual-use Temporary Registration Permit (TRP). Therefore, approximately 243 non-resident dual-use TRPs would be purchased annually [1,215 permits * 20% = 243 TRPs issued].
2. It is assumed the $8.00 TRP fee would be applied to every non-resident off-highway vehicle permit and would increase the motor vehicle electronic commerce operating account $972 in FY 2010 (due to the effective date of this bill) and $1,944 FY 2011, FY 2012, and FY 2013 [243 TRPs * $8.00 = $1,944].
3. It is assumed the new $31.00 dual-use registration fee required in section nine will be applied to every non-resident off-highway vehicle permit and will increase general fund $3,767 in FY 2010 (due to the effective date) and $7,533 FY 2011, FY 2012, and FY 2013 [$31.00 registration fee x 243 TRPs issued = $7,533].
4. Operating expenses would increase $243 in FY 2010 (due to the effective date) and $486 in FY 2011, FY 2012, and FY 2013 based on the effective date and the contractual agreement with MT.gov at a cost of $2.00 fee per TRP issued [$2.00 per TRP * 243 TRPs issued = $486]. These expenses are funded by the motor vehicle electronic commerce operating account.
5. The department estimates that there are about 10,000 off-highway vehicles purchased and registered annually.
6. The required decals would cost $0.25 per decal. Off-highway use vehicles would need to be issued a decal to indicate this registration type (off-highway only or dual-use), increasing expenses $1,250 for FY 2010 (due to the effective date) and $2,500 each fiscal year following through the 2013 biennium [$0.25 per decal x 10,000 registered vehicles = $2,500].

Department of Justice

Justice Information Technology Services Division (JITSD)

7. It is assumed that the existing off-highway decal already configured in the system will remain in use and unchanged.
8. It is assumed that no modifications to Criminal Justice Information Network (CJIN) inquiries will be needed.
9. It is assumed that no new or modified reports will be needed.
10. It is assumed it will be necessary to re-configure the Montana Enhanced Registration and Licensing Information Network for the off-highway usage to use both a plate and the current off-highway decal.
11. It is assumed that it will be necessary to modify the system to produce a point of sale tab for a plate if the usage is regular (street legal) and off-highway (both tab and decal).
12. SB 347 will require a new temporary registration permit (TRP) type for non-resident motorcycles and quadricycles. This will also have to include public access to TRPs.
13. The system configuration and testing listed above will be contracted by JITSD to its contractor and is estimated to cost approximately $28,800.

Department of Corrections

14. With the passage of SB347, quadricycles, and off-highway vehicles that currently have a decal, will be required to be issued a license plate as of January 1, 2010.

15. Per the Motor Vehicle Division, there are 58,234 currently registered off-highway vehicles and an additional 10,000 off-highway vehicles purchased and registered annually.
16. Montana Correctional Enterprises will produce 68,234 (58,234 + 10,000) additional license plates in Fiscal Year 2010 and 10,000 plates each year thereafter, in addition to the regularly issued license plates.
17. The additional cost to the general fund will be for materials only, as other operational costs are either fixed, or this small addition of plates will not affect them.
18. The materials cost for the FY 2010 68,234 license plates is $1.77 per plate, which is broken down by: print heads $.11 ($7,506), reflective sheeting $1.12 ($76,422), aluminum $.53 ($36,164) and miscellaneous supplies $.01 ($682), for a total of $120,774.
19. The materials cost for the FY 2011 and subsequent years for 10,000 at $1.77 per plate is $17,700.

	FY 2010 Difference	FY 2011 Difference	FY 2012 Difference	FY 2013 Difference
Fiscal Impact:				
Department of Justice				
Expenditures:				
Operating Expenses	$30,293	$2,986	$2,986	$2,986
Funding of Expenditures:				
General Fund (01)	$30,050	$2,500	$2,500	$2,500
Other	$243	$486	$486	$486
TOTAL Funding of Exp.	$30,293	$2,986	$2,986	$2,986
Revenues:				
General Fund (01)	$3,767	$7,533	$7,533	$7,533
Other	$972	$1,944	$1,944	$1,944
TOTAL Revenues	$4,739	$9,477	$9,477	$9,477
Department of Corrections				
Expenditures:				
Operating Expenses	$120,774	$17,700	$17,700	$17,700
Funding of Expenditures:				
General Fund (01)	$120,774	$17,700	$17,700	$17,700
Revenues:				
General Fund (01)	$0	$0	$0	$0
Net Impact to Fund Balance (Revenue minus Funding of Expenditures):				
General Fund (01)	($147,057)	($12,667)	($12,667)	($12,667)
Other	$729	$1,458	$1,458	$1,458
TOTAL Funding of Exp.	($146,328)	($11,209)	($11,209)	($11,209)

Technical Notes:

1. The bill as written is unclear as it explains the use of license plates and decals. Section 4 states that an off-highway vehicle displays the license plate and registration decal. Section 10 states that the county treasurer shall issue license plates for the vehicle upon registration but there is no mention of decals. Section 12 states that the department shall provide a distinctive registration decal to indicate the type of use authorized but does not mention plates.

Sponsor's Initials	*Date*	*Budget Director's Initials*	*Date*