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FISCAL IMPACT REPORT

SPONSOR: Hamilton DATE TYPED: 2/13/03 HB 211/aHTC

SHORT TITLE: Off-Highway Motor Vehicle Requirements SB _____

ANALYST: Wilson

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
			\$7.8	Recurring	OSF

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
		\$2.4	Recurring	New Off-Highway Motor Vehicle Fund
		(\$2.4)	Recurring	Motor Vehicle Suspension Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

Responses Received From

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of HTC Amendment

The House Transportation Committee amendment increases the cost of duplicate certificates of registration from \$1 to \$5 and allows TRD to issue an off-highway motor vehicle a registration plate or a validation sticker.

In addition, the HTC amendment gives the State Parks Division of the Energy and Natural Resources Department the responsibility of administering the “off-highway motor vehicle fund”.

Synopsis of Original Bill

House Bill 211 exempts out-of-state off-highway motor vehicles from registration requirements if the vehicle is brought into the state as a result of an organized competition in an off-highway location that has received money from the off-highway motor vehicle fund.

If these out-of-state off-highway motor vehicles are used in a different location, they must either be registered in another state or temporarily registered through the department.

HB 211 requires the use of helmets for those under the age of eighteen.

Significant Issues

Persons under eighteen should be required to protect themselves when riding off-highway vehicles.

FISCAL IMPLICATIONS

The off-highway motor vehicle fund is created. Money in the fund is directed to be used for off-highway motor vehicle safety, improving off-highway riding locations and to close off-highway riding locations that are dangerous to riders and damaging to the environment.

Registration fees from off-highway motor vehicles collected under HB 211 shall be deposited in the off-highway motor vehicle fund. Currently this money is being deposited into the Motor Vehicle Division (MVD) suspense fund and being deposited according to an existing formula to various state and local road funds. The fiscal impact is estimated at \$2.4 annually.

MVD registration statistics indicate that, as of 2001, there were 356 vehicles that were registered as off-highway. If one assumes no more than about 5% growth in the total number of off-highway registrations each year, that would mean up to 20 additional registrations in the first year. Since each registration must be renewed every three years to remain valid, approximately 1/3 of 412 (estimate for 2004) will pay \$15 each year. The new registrations will also pay \$15 each year.

HB 211 adds off-highway motor vehicles with engines less than 100cc will be issued a one-time registration at the time of title transfer. Depending on the number of vehicles that would qualify as having an engine size of 100cc or less, this would reduce the above estimate because of the decrease in recurring renewal fees.

Also, there is the potential of additional revenue from out-of-state off-highway vehicle temporary registration. This amount would most likely be insignificant.

ADMINISTRATIVE IMPLICATIONS

HB 211 requires the on-line field office manual to be updated and clerks trained to examine the engine size. Reprogramming would have to be done to distinguish between off-highway vehicle engines that are over/under 100ccs. This would also affect all re-registration systems and associated renewal notice programming. TRD estimates the systems related expense for this bill will be approximately \$7,800.

HB 211 will require TRD to rewrite TRD Regulation 18.19.3.13, which is concerned with how to attach a registration plate to an off-highway motor vehicle. This will have to be amended to allow for “attaching a validating sticker” as an alternative approach.

TECHNICAL ISSUES

TRD provided the following:

The material in Section 2(D) should be added to Section 66-3-1005, where exemptions to the off-highway motor vehicles are listed. HB 211 will require MVD to create a temporary registration process for off-highway vehicles from out of state. Fees and time limits would need to be set for this temporary registration.

HB 211 adds new material regarding the use of helmets for those under the age of eighteen. There is, however, no language specifying what the penalty would be for violation of this requirement.

There is a misspelling on page 4, line 14. The word “existing” should be “exiting”.

One minor addition for clarity should be made in 66-3-1018 (A), line 8. The intent appears to be to create a separate fund that does not revert to the general fund, but the language used is “...shall not revert”. Better language would be “...shall not revert to the general fund.”

DW/yr/njw