

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1709-01
Bill No.: SB 319
Subject: Liens: Motor Vehicles; Property, Real and Personal
Type: Original
Date: February 13, 2009

Bill Summary: Modifies provisions relating to when the Director of Revenue may issue a certificate of ownership or certificate of title when there is a lien on certain chattel

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	\$957	\$957	\$957
Total Estimated Net Effect on General Revenue Fund	\$957	\$957	\$957

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue (DOR)** assume this proposal eliminates the requirement for DOR to send a 30 day notification, by certified mail, to all owners and lien holders on record before a mechanic lien title can be issued. It allows DOR to issue a Mechanic Lien title upon receipt of the application and accompanying documents.

DOR will need to revise related policies and procedures as well as the DOR website.

In FY 08 there were 349 mechanic lien notification letters sent to applicable owners and lien holders. Due to the elimination of the requirement to notify any owners and lien holders by certified mail, there will be savings to General Revenue in the amount of \$957 per year for envelopes, printing, and certified mail postage.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
GENERAL REVENUE			
<u>Savings - Department of Revenue - Notification expenses</u>	<u>\$957</u>	<u>\$957</u>	<u>\$957</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$957</u>	<u>\$957</u>	<u>\$957</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Businesses wishing to obtain a mechanic lien title will be able to obtain a title, sell the vehicle, and recoup any losses without waiting the current thirty day period.

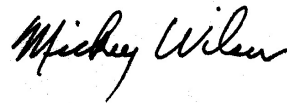
FISCAL DESCRIPTION

Currently, the Director of Revenue is required to notify the owner and any lien holder of record of a motor vehicle, trailer, outboard motor, aircraft, or vessel, when an application is made for a lien title on such item. Lienholders or owners have 30 days to redeem the item or make satisfactory alternative arrangements or demand a hearing before the director issues a certificate of ownership. This proposal repeals these requirements and allows the director to issue a certificate of ownership immediately upon receipt of the application.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue



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Director
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