

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6104

BILL NUMBER: HB 1170

DATE PREPARED: Dec 11, 2000

BILL AMENDED:

SUBJECT: Staggered Motor Vehicle Registration Dates.

FISCAL ANALYST: James Sperlik

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FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill revises the schedule for registration of motor vehicles on a staggered basis throughout the year. It provides that for CY 2003, the registration fee for a passenger motor vehicle that was registered in Indiana in CY 2002 shall be at the rate as set forth in IC 9-29-5-1 with no reduction for any partial calendar month that has elapsed since the regular annual registration date in CY 2002. (The introduced version of this bill was prepared by the Interim Study Committee on Motor Vehicle Issues.)

Effective Date: January 1, 2003.

Explanation of State Expenditures: For the Bureau of Motor Vehicles (BMV), there will be costs associated with the implementation of this proposed change in registration schedule of motor vehicles. There will be computer changes estimated at \$21,250. Also, there will be training costs but these are expected to be minimal.

Staggering of vehicle registration dates will have the effect of redistributing peak customer volume for registration from nine times per year to 18 times per year, in effect halving the customer volume for vehicle registration at certain times of the year. Although the ultimate impact on staffing levels is not known, this provision will redistribute the workload and, potentially, affect the staffing requirements in some license branches.

The fund affected is the Motor Vehicle Highway Account which supports the BMV.

Explanation of State Revenues: The provision that the registration fee remain the same with no reduction for any partial calendar month will keep revenue collections neutral. Even though some of the registration fees will be collected two weeks earlier due to the staggered registration schedules, these fees are deposited in the Motor Vehicle Highway Account and are not subject to interest earnings.

Explanation of Local Expenditures:

Explanation of Local Revenues: Motor Vehicle Excise Tax collections are electronically transferred to each county twice a week by the BMV. This money is normally invested by the county when it is received. Distributions by the county to local units of government are made twice each year, in June and December. If a portion of the Excise Tax payments are collected earlier, counties could earn an additional two weeks worth of interest income on those payments. Branch collections of Motor Vehicle Excise Tax totaled \$362.0 M in CY 1999. If half of the \$362.0 M were collected two weeks earlier and invested (at 5.65%, the average return for state investments), additional interest income to the counties would total about \$390,000.

(Total Excise Tax proceeds, including state distributions, amounted to \$601.6 M in 1999).

State Agencies Affected: Bureau of Motor Vehicles.

Local Agencies Affected:

Information Sources: Melanie Schwartz, BMV Deputy Commissioner and Director of Vehicle Services, 233-1218; Jane Morrical, Director of Treasury for the BMV, 232-2822.