



LEGISLATIVE FISCAL OFFICE

Fiscal Note

Fiscal Note On: HB 568 HLS 05RS 1182
Bill Text Version: ORIGINAL
Opp. Chamb. Action:
Sub. Bill For.:
Proposed Amd.:

Date: May 17, 2005 2:53 PM Author: GREENE
Dept./Agy.: Public Safety Analyst: Jay Eckert
Subject: Repeals Motor Vehicle Inspections

MTR VEHICLE/INSPECTION OR -\$14,630,000 SG RV See Note Page 1 of 1
Repeals the fees and requirements for obtaining vehicle safety inspection certificates on motor vehicles, trailers, semitrailers, and pole trailers registered in this state

Current law requires every motor vehicle, trailer, semitrailer, and pole trailer registered in the state to be inspected at least every other year, but not more frequently than twice each year. Further provides that certain commercial motor vehicles in interstate and intrastate commerce are exempt from safety inspections.

Proposed legislation repeals present law. Upon passage of HB 553, which is a constitutional amendment and must be approved by the voters in the November 7, 2006 election. Upon approval, effective January 1, 2007.

Table with 7 columns: EXPENDITURES, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

Table with 7 columns: REVENUES, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

Passage of this bill will result in a revenue loss for the Department of Public Safety. Currently, all revenue generated from motor vehicle inspections are budgeted to the Office of State Police and the Office of Motor Vehicles. Passage of HB 553 of the 2005 Regular Session and approval from the voters at the November 7, 2006 statewide election, will replace the revenue lost from the inspection program with an increase in revenue from motor vehicle registration fees.

The Office of Motor Vehicles spends approximately \$200,000 per year on supplies for the inspection program. These costs would be eliminated with the passage of legislation. Resulting in a decrease in expenditures of \$100,000 in FY'07 and \$200,000 per year in future fiscal years.

REVENUE EXPLANATION

Passage of this bill would decrease self-generated revenues to the department by approximately \$14.63 million because all private and commercial vehicle inspection requirements would be repealed. Each year, the department issues through authorized inspections approximately 2.67 million private vehicle inspection certificates and 91,000 commercial vehicle inspection certificates. For private vehicles, a fee of \$5.25 is charged for each certificate of inspection sold, of which \$4 shall be transferred to the Office of State Police and \$1.25 be transferred to the Office of Motor Vehicles. For each commercial motor vehicle inspection certificate issued, \$6.25 is charged, of which \$4 shall be transferred to the Office of State Police and \$2.25 shall be transferred to the Office of Motor Vehicles. Over the past four years, revenues have been relatively stable, rising from \$14 million in FY 01 to \$14.63 million in FY 04.

This legislation would not impact the motor vehicle emission inspection program.

Senate Dual Referral Rules

13.5.1 >= \$500,000 Annual Fiscal Cost

13.5.2 >= \$500,000 Annual Tax or Fee Change

House

6.8(F) >= \$500,000 Annual Fiscal Cost

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

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