FISCAL NOTE

HB 1522 - SB 1799

March 2, 2001

SUMMARY OF BILL: Provides for a vehicle owner transferring such vehicle to a new owner to transfer the unexpired portion of the vehicle's registration to the buyer or donee. Requires a joint application be made to the Department of Safety through the county clerk and payment of $1.00 plus the clerk's fee.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues – Net Impact – Exceeds $690,000
Increase State Expenditures - $120,000 One-Time

Decrease Local Govt. Revenues – Exceeds $600,000

Estimate assumes:

- a one-time increase in expenditures of $120,000 for computer system changes to facilitate the transfer of registrations and plates.
- there are approximately 3,000 vehicle transfers daily and 250 business days a year.
- approximately 10% or 300 of these daily would transfer their registration and plate under provisions of the bill.
- an average of 6 months unexpired on plates to be transferred.
- the motor vehicle registration fee is $21.50.
- an increase in state revenues of $75,000 from the $1.00 fee charged for transferring the registration.
- a decrease in state revenues exceeding $750,000 from the loss of an average of 6 months registration fees on 75,000 vehicles annually.
- the wheel tax collected in 49 counties would also be subject to transfer as under T.C.A. 7-51-703 the county clerk collects the wheel tax at the time the clerk's office is selling a state license.
- the statewide average wheel tax collected is $29.00.
- 56% of all registered vehicles in Tennessee are in counties that collect the wheel tax.
- a decrease in local government revenues from the loss of an average of 6 months wheel tax on 42,000 vehicles annually.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

James A. Davenport, Executive Director