

FISCAL ESTIMATE FORM

1999 Session

ORIGINAL

UPDATED

CORRECTED

SUPPLEMENTAL

LRB # -1513/1

INTRODUCTION # SB 200

Admin. Rule #

Subject

Transferring a motor vehicle upon death of the owner to a beneficiary designated in the certificate of title

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget Yes No

Increase Existing Appropriation

Increase Existing Revenues

Decrease Existing Appropriation

Decrease Existing Revenues

Create New Appropriation

Decrease Costs

Local: No local government costs

1. Increase Costs Permissive Mandatory

3. Increase Revenues Permissive Mandatory

5. Types of Local Governmental Units Affected:

Towns Villages Cities

2. Decrease Costs Permissive Mandatory

4. Decrease Revenues Permissive Mandatory

Counties Others _____

School Districts WTCS Districts

Fund Sources Affected

GPR FED PRO PRS SEG

Affected Ch. 20 Appropriations

20.395(5)(cg); 20.395(4)(aq)

Assumptions Used in Arriving at Fiscal Estimate:

This bill allows a vehicle owner in certain circumstances to designate a beneficiary to receive the vehicle on the owner's death, and to revoke the designation. DOT must notify the beneficiary of designation and revocation. The owner must pay a fee equal to DOT's cost of designation; the DOT may charge a fee to the beneficiary to cover cost of confirming the beneficiary name.

From DMV records, we know that about 66% of all vehicles are owned by one individual (not businesses). While we have no data on which to conclude how many unmarried eligible individuals might exercise this option, this estimate assumes half of the one individual owners are unmarried, and that about 2% of those individuals would be interested in beneficiary designation (since current law already allows naming any person as a co-owner, or disposing by will of a vehicle). Thus, about .67% of 1.2 million annual title transactions represent the anticipated volume: about 7,900 transactions annually. Of these, about 4,700 would be at the time of a vehicle transfer; about 3,200 transactions would be solely designation/revocation.

Significant data processing system modifications would be required, regardless of how many people might exercise this option. DP changes must be made in both the current DP system and in DMV's redesigned system, to the title processing, inquiry, title print, financial, and audit subsystems, to add data elements and synchronize system performance. DP work would require about 450 days of effort at a cost of \$259,700. In addition, \$8,300 is required for office cost of new position and \$10,000 for public information about this new option (based on information costs of similar program changes). Total one-time cost is \$278,000.

Processing title transactions and responding to inquiries requires .5 FTE permanent positions, at an annual cost of \$15,800. Cost to notify beneficiaries is \$4,600, for total annual cost of \$20,400.

The bill requires owners to pay a fee that equals DOT's cost. Annual cost plus one-time cost amortized over 4 years (standard used in other DMV programs) is \$89,900. Revenue thus would also be \$89,900 annually. Of this revenue, \$1500 is expected from the beneficiary fee, and the remainder equates to a fee of \$11.17 per designation or revocation transaction.

Long-Range Fiscal Implications:

This estimate assumes DOT could actually undertake DP work. However, DOT's DP staff is extremely limited; and some enacted legislation cannot currently be implemented. This project would redirect staff committed to DP system redesign and other proect areas, resulting in further delay in those other areas.

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Date
7/13/99

FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

1999

Session

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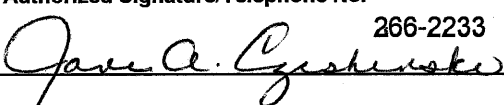
Transferring a motor vehicle upon death of the owner to a beneficiary designated in the certificate of title

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):
\$278,000

II. Annualized Costs:		Annualized Fiscal impact on State funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$ 15,800	\$ -
(FTE Position Changes)		(.5 FTE)	(- FTE)
State Operations - Other Costs		4,600	-
Local Assistance			-
Aids to Individuals or Organizations			-
TOTAL State Costs by Category		\$ 20,400	\$ -
B. State Costs by Source of Funds		Increased Costs	Decreased Costs
GPR		\$	\$ -
FED			-
PRO/PRS			-
SEG/SEG-S		20,400	-
III. State Revenues Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		Increased Rev.	Decreased Rev.
GPR Taxes		\$	\$ -
GPR Earned			-
FED			-
PRO/PRS			-
SEG/SEG-S		89,900	-
TOTAL State Revenues		\$ 89,900	\$ -

NET ANNUALIZED FISCAL IMPACT

	STATE		LOCAL
NET CHANGE IN COSTS	\$89,900(include 1-time cost)	\$	_____
NET CHANGE IN REVENUES	\$89,900	\$	_____

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