

FISCAL NOTE

	FY 2020	FY 2021	FY 2022
NON-ADMINISTRATIVE IMPACT			
Anticipated Revenue (decrease)			
COUNTY REGISTRATION FEES	(\$10,470,034)	(\$10,470,034)	(\$10,470,034)
SCHOOL FOUNDATION FUND	(\$7,582,477)	(\$7,582,477)	(\$7,582,477)

	FY 2020	FY 2021	FY 2022
NON-ADMINISTRATIVE IMPACT			
Anticipated Expenditure increase			
SCHOOL FOUNDATION FUND	\$10,054,962	\$10,054,962	\$10,054,962

Source of revenue decrease and expenditure increase:

Motor vehicle owners will pay lower county-based motor vehicle registration fees for vehicles seven years or older. The current rate for all vehicles 6 years of age or older is 3 percent of 15 percent. This legislation would change the rate as follows: vehicles 7 years old will be 3 percent of 14 percent of the factory price; vehicles 8 years old will be 3 percent of 12 percent of the factory price; vehicles 9 years old will be 3 percent of 10 percent of the factory price; and vehicles 10 years old and older will be 3 percent of 8 percent of the factory price.

The School Foundation Program will receive less revenue from this decrease in registration fees to recapture school districts and to the 12 mill School Foundation Program levy. The School Foundation Program will also experience an expenditure increase to backfill the revenue decrease to entitlement school districts.

Assumptions:

Fiscal year estimates are assumed to be flat because it is difficult to determine how many new vehicles will be purchased and how many vehicles will be removed from the system. The table below displays the estimated revenue decrease for each fiscal year, by vehicle age, for years that are changed by this legislation.

Age of Vehicles	Proposed Law	Estimated Revenue Decrease
Year 7	3% of 14% of Factory Price	(333,638)
Year 8	3% of 12% of Factory Price	(1,001,113)
Year 9	3% of 10% of Factory Price	(1,526,181)
Year 10+	3% of 8% of Factory Price	(25,246,540)
Total		(28,107,473)

The proposed fee change will apply to all vehicles registered at the county level under W.S. 31-3-101(a)(i) as amended by this legislation. The bill does not modify required state fees for motor vehicle registration.

The revenue decrease in county registration fees would have an estimated allocation of 42.7 percent to counties, 28.9 percent to municipalities, 20.3 percent to special districts, and 8.1 percent to community colleges. This allocation is based on county reported motor vehicle registration fees for FY 2018 compiled by the Department of Audit, FY 2018 registration fee revenue provided by the Community College Commission and the percentage of ad valorem taxes levied by special districts found in the Department of Revenue 2018 Annual Report.

The revenue decrease and expenditure increase to the School Foundation Program Account is estimated based on motor vehicle registration fee revenues received by school districts for the 2017-18 school year, compiled by the Legislative Service Office.

Prepared by: Matthew Sackett, LSO Phone: 777-7881
(Information provided by Rodney Freier, Jr., Department of Transportation, 777-4174; Matthew Willmarth, Legislative Service Office, 777-7881)