Local Mandate Fiscal Impact Estimate Kentucky Legislative Research Commission 2017 Regular Session

Part I: Measure Information

Bill Request #: 969	
Bill #: HB 288	
Bill Subject/Title:	AN ACT relating to sport utility all-terrain vehicles and making an appropriation therefor
Sponsor: Representative Brian Linder	
Unit of Government:	xCityxCountyxUrban-CountyxCharter CountyConsolidated LocalWunified LocalxConsolidated LocalGovernment
Office(s) Impacted:	County clerk; Sheriff
Requirement: x	Mandatory Optional
Effect on Powers & Duties:	Modifies Existing Adds New Eliminates Existing

Part II: Purpose and Mechanics

The purpose of HB 288 is to allow, and to control, the operation of sport utility all-terrain vehicles on public roads. **Section 1** of the bill would amend KRS 186.010 to include at subsection (19) a definition of "sport utility all-terrain vehicle" and to provide that, for registration purposes, such vehicles are "motor vehicles" as defined at KRS 186.010 (4).

Section 2 of the bill would set out the conditions under which such vehicles may be operated on state and county roads in unincorporated areas, and provides that a city may, by ordinance, allow operation of such vehicles on city roads, and may prohibit their operation on roadways if it deems it unsafe. Before operating a sport utility all-terrain vehicle on a road the vehicle must be inspected by a certified inspector, be titled, registered, and insured. Section 2 also would establish the conditions under which a nonresident owner of a sport utility all-terrain vehicle would be exempt from Kentucky's registration requirements.

Section 3 of HB 288 would establish that, where conditions for an exemption from registration requirements are not met, a nonresident may apply for a temporary registration permit to operate a sport utility all-terrain vehicle on Kentucky roads. That Section would

establish a fee of \$75 for each temporary registration to be collected by the county clerk, with \$68 of the fee distributed to the county of issuance and \$6 to be retained by the county clerk.

Part III: Fiscal Explanation, Bill Provisions, and Estimated Cost

The fiscal impact of HB 288 on local governments would be minimal but positive.

HB 288 would generate an unknown amount of revenue to local governments through taxes and fees. It is unknown how many owners of sport utility all-terrain vehicles would seek to have them registered and licensed for highway use. County clerks are entitled to collect a fee of six dollars (\$6) for services rendered for each vehicle they register. The county sheriff is responsible for designating a certified inspector to conduct vehicle inspections, only to determine that the application documents are legible and complete and to record the reading on the primary odometer of the vehicle. The county sheriff's office is entitled to a certification fee of five dollars (\$5) for each vehicle inspected and certified, or \$15 if the certified inspector must travel to the site of the vehicle instead of the vehicle being brought to the inspector. So long as the county clerk and the county sheriff could fulfill their duties without adding staff, HB 288 could increase revenue to those offices.

In addition, the local governments may assess a tax on motor vehicles, and the county clerk receives a four (4%) percent commission for collecting county motor vehicle taxes.

Finally, if, under the bill, enough nonresident owners chose to bring their vehicles to Kentucky, HB 288 would result in a more significant increase in revenues to local governments.

Data Sources: LRC Staff; local government planning staff

Preparer: Mary Stephens **Reviewer:** KHC **Date:** 3/1/17