

Department of Planning and Budget 2022 Fiscal Impact Statement

1. Bill Number: SB186

House of Origin ☐ Introduced ☒ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Hanger

3. Committee: Finance and Appropriations

4. Title: Department of Motor Vehicles; permanent farm use placard.

5. Summary: This bill requires an owner or lessee of a vehicle claiming a farm use exemption from the registration, licensing, and decal requirements for a vehicle, trailer, or semitrailer to obtain a permanent farm use placard from the Department of Motor Vehicles. The applicant is required to provide a limited amount of information about the vehicle and its usage, pay a fee for the placard, and certify the vehicle is covered by insurance. Once a vehicle is no longer used for farm use, the owner or lessee is required to return the farm use placard to the Department of Motor Vehicles.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary. See Item #8.

8. Fiscal Implications: This bill adds an explicit definition for “farm use placard,” permits all proof requirements for obtaining the placard to be implemented via customer certification, and allows the Department of Motor Vehicles (DMV) to charge a \$15 fee to be paid into the state treasury and set aside as a special fund to be used to meet the expenses of the Department. It has been estimated that at least 6,000 customers with qualifying vehicles may apply for the credential.

Currently, vehicles used for farming purposes may be registered with DMV or may remain unregistered. DMV issues license plates referred to as “F-tags” for registered farm vehicles. Unregistered vehicles do not currently display a DMV-issued license plate although they may have a sign or placard that says "Farm Use." An owner is not required to register a vehicle (i.e. obtain license plates and decals) or pay a registration fee for any pickup or panel truck, sport utility vehicle, vehicle having a gross vehicle weight rating greater than 7,500 pounds, trailer, or semitrailer used exclusively for agricultural or horticultural purposes on lands owned or leased by the vehicle's owner.

In order to implement the bill, the agency will incur programming costs estimated at \$78,805. The 2,070 staff hours required can be accomplished during the normal work schedules for DMV employees, given current workloads.

The bill has a delayed enactment date of July 1, 2023.

9. Specific Agency or Political Subdivisions Affected: Department of Motor Vehicles.

10. Technical Amendment Necessary: No.

11. Other Comments: This bill is a companion to HB179.