

BILL SUMMARY
2nd Session of the 57th Legislature

Bill No.:	HB 3663
Version:	Committee Substitute
Request Number:	10896
Author:	Rep. Kannady
Date:	3/2/2020
Impact:	See Below

Research Analysis

The committee substitute to HB 3663 modifies the basis for removal of a motor license agent by the Tax Commission. The measure directs that the removal of an agent “for cause”. Currently, agents are considered “at will”. The measure defines “for cause”. The measure requires the Tax Commission to provide written notice of the removal of an agent and provides for a hearing and judicial review.

Prepared By: Brad Wolgamott

Fiscal Analysis

HB 3663 in its current form limits the Tax Commission’s (OTC) authority to remove motor license agents. Currently such agents may be removed at will by OTC. Under the provisions of HB 3663 such agents would only be removed for cause. The measure also provides agents subject to removal, a right to judicial review by the District Court. The measure also permits the Court to award court costs, witness fees, and reasonable attorney fees to prevailing motor license agents upon a finding by the Court that the proceedings brought by OTC were frivolous.

Administrative Costs

OTC officials estimate potentially five such removals being initiated annually. The increased due process and court proceedings authorized by HB 3663 will likely increase efforts required of OTC staff; however, with the small number of removal proceedings expected annually, House Fiscal Staff anticipates OTC’s ability to absorb such costs within existing budgetary resources.

Court Costs

HB 3663 provides that upon the finding by the Court that OTC’s actions were “frivolous”, the Court may order OTC to pay court costs, witness fees, and reasonable attorney fees. OTC estimates such costs on average as \$50,000 per case ruled by the Court to be frivolous.

Prepared By: John McPhetridge

Other Considerations

None.