

## Department of Planning and Budget 2001 Fiscal Impact Statement

1. **Bill Number** HB1963

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. **Patron** Wardrup

3. **Committee** Transportation

4. **Title** Motor Vehicle Transaction Recovery Fund.

5. **Summary/Purpose:**

Provides that where dealer's surety is liable for claims against a dealer, the surety remains liable for the first \$25,000, but the Motor Vehicle Transaction Recovery Fund will be liable for the next \$75,000 (instead of \$50,000). In claims against the Fund involving a single transaction, the maximum claim is increased from \$15,000 to \$20,000 and for multiple transactions from \$75,000 to \$100,000. The minimum amount at which claims become prorated is increased from \$50,000 to \$75,000.

6. **No Fiscal Impact** See item # 8.

7. **Budget amendment necessary:** No

8. **Fiscal implications:** There have been a few occasions where the board has been forced to reduce the amount paid from the fund to an individual as the claim exceeded the statutory limit. In addition, adjustments have been made in the past to the maximum allowable pay-outs from the fund in order to keep-up with the rising cost of automobiles. It is for this reason these changes are being pursued. The Transaction Recovery Fund is supported by a special fee assessed to dealers and salespersons. Increased pay-outs will not result in any increase in fees.

9. **Specific agency or political subdivisions affected:** The Motor Vehicle Dealer Board

10. **Technical amendment necessary:** No

11. **Other comments:** None

**Date:** //11/01 RDS

**Document:** RDS G:\01bills\HB1963.DOC

Secretary of Transportation

PDF Created 1/12/2001 1:00:46 PM