

Department of Planning and Budget

2003 Fiscal Impact Statement

1. Bill Number HB2720

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

2. Patron Rollison

3. Committee House Transportation

4. Title Vehicle dealers; on-line system filing fees; manual transaction fees.

5. Summary/Purpose: The introduced legislation proposes to amend §46.2-1530 of the Code of Virginia and to amend the Code of Virginia by adding sections numbered 46.2-1530.1 and 46.2-1530.2 to require the collection of on-line filing fees from motor vehicle dealers who use a remote electronic filings system, approved by the Department of Motor Vehicles, to obtain a certificate of title or registration for the purchaser of a vehicle and for the collection of manual transaction fees from dealers who do not use a remote electronic filings system.

6. Fiscal Impact Estimates: See item #8.

6b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2002-03			
2003-04	\$7.5 million		NGF
2004-05	\$7.5 million		NGF

7. Budget amendment necessary: Yes. Item 480.

8. Fiscal implications: The fiscal impact of this legislation is uncertain. This bill provides that motor vehicle dealers who use a remote electronic filings system, approved by the Department of Motor Vehicles (DMV), to obtain a certificate of title or registration for the purchaser of a vehicle must pass the cost of any provider fees onto the vehicle purchaser, while any dealer who has not subscribed to an on-line system must pay DMV a \$15.00 fee for any such vehicle transaction conducted by the dealer at a Customer Service Center. DMV advises that this bill would impact motor vehicle dealers who sell cars and trucks only.

This bill may impact revenues received by DMV. The \$15.00 fee collected for manual transactions is to be paid into the state treasury and set aside as a special fund to meet the expenses of DMV. It is estimated that dealers conduct approximately 500,000 titling and vehicle registration transactions in the customer service centers (CSCs), annually. If the same volume of such transactions continues, additional revenues of \$7.5 million could be collected. However, it is difficult to estimate the volume of manual dealer transactions that would persist if this legislation is enacted, because dealers would have two alternative means of avoiding the \$15.00 fee: (i) sending the vehicle purchaser to DMV to perform their own titling and registration transactions or (ii) enrolling in the DMV on-line dealer program.

It is anticipated that this bill will have little or no impact on DMV if dealers choose to have vehicle purchasers come to DMV, as the number of customers visiting DMV may increase, but the number of transactions will remain the same.

9. Specific agency or political subdivisions affected: Department of Motor Vehicles

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 01/27/03/MEM

Document: G:\Fis\03\DMV\Hb2720.Doc Michael McMahon

cc: Secretary of Transportation