

## Department of Motor Vehicles 2006 Fiscal Impact Statement

**1. Bill Number** HB948

<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** Morgan

**3. Committee** Transportation

**4. Title** Disposal of abandoned vehicles.

**5. Summary/Purpose:**

Disposal of abandoned vehicles. Clarifies that localities are eligible for reimbursement from the Commissioner of the Department of Motor Vehicles for the removal of inoperable abandoned motor vehicles left on property, either public or private.

In the past DMV has included such vehicles within the applicability of the reimbursement authorized by §46.2-1207. In January 2005, after review of the issue, DMV determined that, based on the language found in the Va. Code, these vehicles were not eligible and reimbursement was discontinued. Pursuant to discussions with the Department of Environmental Quality (DEQ) and this bill's patron, Delegate Morgan, DMV agreed to again reimburse localities for the removal of inoperable vehicles on the owner's property while the General Assembly took up consideration of this bill.

**6. Fiscal Impact:**

**6a. Expenditure Impact:**

Since DMV has reimbursed localities for these vehicles in the past, it is unclear what the exact impact of this legislation will be on DMV pay-out of monies to localities. DEQ estimates that this legislation might result in a 25% increase in DMV reimbursement to localities for disposal of motor vehicles. Based upon the FY05 locality reimbursement amount of \$390,250, the projected maximum annual expenditure impact of this legislation on DMV might be \$97,562.50.

Please see #8 for additional information.

**6b. Revenue Impact:** None.

**7. Budget amendment necessary:**

No. Please see #8 for additional information.

**8. Fiscal implications:**

DMV does not wish to request a budget amendment until the agency has had at least one year's experience with reimbursement for the category of vehicle, a motor vehicle that is inoperable and located on the vehicle owner's property, introduced by this bill. DMV regulates the total pay-out by the amount of the appropriation in each year. This year the total will be \$391,500 and claims in excess of this amount are carried over to the next year. The amount in the Governor's Bill for the next biennium is set at \$391,500.

**9. Specific agency or political subdivisions affected:**

DMV and localities throughout the state will be impacted by this legislation.

**10. Technical amendment necessary:** No.

**11. Other comments:** None.

**Date:** 01/24/06 / LRP

**Document:** G:/LLSDATA/Legislation 2006/DPB Fiscal Impacts/HB948

cc: Secretary of Transportation