

## Department of Motor Vehicles 2007 Fiscal Impact Statement

**1. Bill Number** HB1817

<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** Suit

**3. Committee** House Transportation

**4. Title** Vehicle titling and registration; exemptions for certain.

**5. Summary/Purpose:** Vehicle titling and registration. Provides that if a vehicle is registered and titled elsewhere in the United States, nothing is to be construed to require titling or registration in the Commonwealth of any vehicle located in the Commonwealth if that vehicle is either (i) owned in full by a non-Virginia resident active duty military service member, activated reserve or national guard member, or mobilized reserve or national guard member stationed or living in Virginia or (ii) jointly owned by a non-Virginia resident active duty military service member, activated reserve or national guard member, or mobilized reserve or national guard member stationed or living in Virginia and his military dependent as defined in US code, title 37 Pay and Allowances of the Uniformed Services, Chapter 1.

**6. Fiscal Impact Estimates are:** Preliminary

**6a. Expenditure Impact:** None.

**6b. Revenue Impact:**

There will be a reduction in revenue received from Motor Vehicle titling and registration. However, DMV is unable to state with certainty what that impact may be.

Currently, vehicles owned individually by active duty military personnel are exempt from Virginia titling and registration pursuant to the Servicemembers Civil Relief Act. However, the exemption does not extend to vehicles owned jointly with a spouse or other dependent.

According to information received from the Virginia Employment Commission, there are 126,205 active duty military personnel in Virginia. DMV does not know how many of these own vehicles jointly with a dependent. The annual registration for a vehicle weighing 4,000 pounds and under is \$29.50. Using that registration fee amount:

- If 50% of the active duty military personnel in Virginia own their vehicles jointly with a spouse or other dependent, the estimated revenue reduction from this bill would be \$1.9 million.
- If 25% of the active duty military personnel in Virginia own their vehicles jointly with a spouse or other dependent, the estimated revenue reduction from this bill would be \$950,000.

- If 10% of the active duty military personnel in Virginia own their vehicles jointly with a spouse or other dependent, the estimated revenue reduction from this bill would be \$391,155.

These estimates do not include the titling fee of \$10 for the first time a vehicle is registered in the Commonwealth, as DMV does not have any data to indicate how many active duty military personnel register their vehicles for the first time per year. In addition, these estimates do not include sales and use tax, which would not be collected by Virginia on vehicles purchased jointly by service members and their dependents if they opted to title and register the vehicles in their home state. Again, DMV has no data indicating how many vehicle purchases would fall into this category.

**7. Budget amendment necessary:** No.

**8. Fiscal implications:** The proposed legislation would exempt from Virginia titling and registration requirements all vehicles owned by active duty military personnel stationed in Virginia whether the vehicle is owned individually by the service member or jointly with a dependent, as defined in 37 U.S.C. 401. Currently, pursuant to the provisions of the Servicemembers Civil Relief Act of 2003 (SCRA), active duty military personnel are exempted from titling and registration in Virginia if their vehicles are registered in their home state. However, the protections of the SCRA do not apply to the service members' dependents. The proposed statutory extension of the exemption to vehicles owned by active duty military personnel jointly with a dependent would result in a loss of the revenue from the titling (one-time \$10 fee when vehicle is first registered in Virginia) and registration fees currently collected on such vehicles. In addition, Virginia would not collect the sales and use tax on vehicles purchased jointly by service members and their dependents if they opted to title and register the vehicles in their home state.

**9. Specific agency or political subdivisions affected:** DMV, VDOT

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

**11. Other comments:**

**Date:** 01/18/07 / rh

**Document:** G:\LLSDATA\Ronna\HB 1817\HB1817 eFIS draft.DOC

cc: Secretary of Transportation