

Department of Planning and Budget 2009 Fiscal Impact Statement

1. **Bill Number:** HB1706

House of Origin X Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. **Patron:** Oder

3. **Committee:** Transportation

4. **Title:** **T&M vehicle dealers, trailer dealers, and motorcycle dealers**

5. **Summary:** This bill provides for the collection of purchaser's on-line filing fees by T&M (motor home and travel trailer) vehicle dealers, trailer dealers, and motorcycle dealers, and also the payment of dealer's manual transaction fees to the Department of Motor Vehicles (DMV).

6. **Fiscal impact estimates:** Preliminary.

6a. Expenditure impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2009	-	-	-
2010	(\$53,600)	-	NGF
2011	(\$58,685)	-	NGF
2012	(\$58,685)	-	NGF
2013	(\$58,685)	-	NGF

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

8. **Fiscal implications:** In the 2003 Session of the General Assembly, legislation was enacted (House Bill 2720) that required dealers licensed by the Motor Vehicle Dealer Board to pass the online vendor transaction fees on to the customer, thereby discontinuing a policy that DMV reimburse the dealers for a portion of the fees (0.75 percent commission). The legislation however did not affect motorcycle, T&M, and trailer dealers (licensed by DMV), and DMV has continued to pay these dealers the 0.75 percent commission of the revenues they collect from customers.

It is anticipated that implementation of this bill would result in a reduction of agency expenditures. In FY 2007, DMV paid \$32,172 to this group of dealers participating in the Computerized Vehicle Registration (CVR) program and \$26,281 to this group of dealers participating in the triVin electronic vehicle titling and registration program, for a total of \$58,453. In FY 2008, the agency paid \$29,965 to the dealers participating in the CVR program and \$28,720 to the dealers participating in the triVin program, for a total of \$58,685. Under the provisions of this bill, DMV would no longer have to make these payments.

In FY 2007, there were 161,884 original motorcycle and trailer registrations (the number of T&M registrations are unknown at this time, as those vehicles use passenger vehicle plates and therefore cannot readily be distinguished from passenger vehicles). The agency does not anticipate a substantial impact on dealer transactions, considering the overall volume, the propensity of high volume dealers that already use electronic registration, and the expected change in behavior of dealers who could be impacted by the manual transactions fee.

It is estimated that the agency will incur a cost of \$5,085 (113 work hours) for changes to its automated systems to support the provisions of this bill. The FY 2010 savings reflects a net after cost.

9. Specific agency or political subdivisions affected: Department of Motor Vehicles, T&M, motorcycle, and trailer dealers.

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 1/13/2009/jlv

Document: G:\08-10\09 FIS\HB1706.Doc Janet Vogelgesang

cc: Secretary of Transportation