

Department of Planning and Budget 2010 Fiscal Impact Statement

1. Bill Number: SB 539

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

2. Patron: Newman

3. Committee: Transportation

4. Title: Vehicles damaged by water

5. Summary: This bill increases the threshold for reporting water damage from \$1,000 to \$5,000. The bill further provides that if such vehicles are damaged to the extent that they meet the definition of salvage vehicle, they shall be titled as such.

6. Fiscal impact estimates: Indeterminate, but expected to be minimal. Preliminary.

7. Budget amendment necessary: No

8. Fiscal implications: Currently, vehicles with \$1,000 or more of water damage would be submitted to the Department of Motor Vehicles (DMV) on a salvage certificate application. In FY 2009, DMV issued 22,301 salvage titles. Of those, 17,638 applications came from dealers using the on-line process, of which approximately 50 percent or 8,819 were water damaged under the current definition. Increasing the threshold to \$5,000 would decrease the number of water damage titles issued by DMV. A salvage title is issued for a standard \$10.00 fee.

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

10. Technical amendment necessary: No.

11. Other comments: A slight spike in water damaged vehicle titles is anticipated in early 2010 as a result of extensive flooding in Norfolk and the Tidewater area in the late fall of 2009.

Date: 1/27/10/jlv

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cc: Secretary of Transportation