

Department of Planning and Budget 2017 Fiscal Impact Statement

1. Bill Number: SB1532

House of Origin	<input type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input checked="" type="checkbox"/>	Engrossed
Second House	<input checked="" type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

2. Patron: Lewis

3. Committee: Transportation

4. Title: Motor vehicle license fees; exemption of antique vehicles.

5. Summary: This bill exempts a motor vehicle, trailer, or semitrailer that is licensed as an antique vehicle from the imposition of local license fees.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary. See Item #8.

8. Fiscal Implications: The overall statewide fiscal impact of this bill cannot be accurately estimated because localities are responsible for setting their own motor vehicle license taxes and fees. While those fees cannot exceed state registration fees, they can vary by the type of vehicle, so the fee for an antique car may be different from the fee for an antique motorcycle. The Department of Motor Vehicles (DMV) does not maintain a list of all local license fees, which can change each year. As of December 31, 2016, there are 144,230 antique motor vehicles registered in the Commonwealth, 6,947 of which are motorcycles; there are no antique trailers.

DMV can estimate the impact of the bill to the agency and to the City of Virginia Beach. Under *Virginia Code* § 46.2-756, localities may enter into agreements with DMV for the agency to collect local vehicle license fees in connection with state registration fees. For each fee collected, DMV keeps \$0.70. As a result of this bill, DMV will have to update its programming for the program to not include local vehicle license fees for antique vehicles. The agency estimates the cost to do so would be \$26,098. DMV would be able to absorb this cost within its existing resources assuming other legislative proposals with fiscal implications to DMV do not pass. DMV's current fiscal outlook precludes funding the cumulative burden of implementing the programming requirements of multiple pieces of legislation without improved revenue streams.

Virginia Beach is the only locality that participates in this program. There are currently 7,328 registered antique motor vehicles in the City, which were subject to a one-time fee of \$13.50 at the time of registration with DMV. Future losses as a result of this legislation cannot be determined because DMV cannot estimate the number of vehicles that will be registered as "antique" in Virginia Beach in the coming years.

9. Specific Agency or Political Subdivisions Affected: Department of Motor Vehicles, all localities that impose and collect vehicle license taxes and fees.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 2/15/2017

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cc: Secretary of Transportation