

## Department of Planning and Budget

### 2007 Fiscal Impact Statement

1. **Bill Number:** SB746

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

2. **Patron:** Williams

3. **Committee:** Transportation

4. **Title:** All-terrain vehicles; amends statutes relating thereto.

5. **Summary/Purpose:** This bill amends statutes relating to all-terrain vehicles and titling all-terrain vehicles to clarify that all-terrain vehicle dealers need not be licensed as motorcycle dealers.

6. **Fiscal Impact Estimates are preliminary.**

**6b. Revenue Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2006-07	-	-	-
2007-08	(\$4,400)	-	NGF
2008-09	(\$4,400)	-	NGF
2009-10	(\$4,400)	-	NGF
2010-11	(\$4,400)	-	NGF
2011-12	(\$4,400)	-	NGF
2012-13	(\$4,400)	-	NGF

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

8. **Fiscal implications:** This legislation amends the statutes relating to the purchase and titling of all-terrain vehicles and off-road motorcycles to provide that entities selling all-terrain vehicles and off-road motorcycles are not required to be licensed as motorcycle dealers unless they sell off-road vehicles that are manufactured by manufacturers that also manufacture road worthy vehicles. According to industry representatives, approximately 20,000 new all-terrain vehicles and 3,600 off-road motorcycles are sold in the Commonwealth each year.

SB 191 was enacted during the 2006 session of the General Assembly, relating to the purchase and titling of all-terrain vehicles and off-road motorcycles. One component of that bill required any entity selling these vehicles to be licensed as a motorcycle dealer. Prior to the legislative change, an entity was not required to be licensed as a motorcycle dealer if it dealt solely in the sale or lease of either (i) motorcycles designed exclusively for off-road use or (ii) all-terrain vehicles manufactured or distributed in Virginia by a manufacturer, factory branch, distributor, distributor branch, or factory or distributor representative that does not also manufacture or does not also distribute in Virginia any motorcycle designed for lawful

use on the public highways. This exemption was contained in the definition of motorcycle dealer found in Code of Virginia § 46.2-1993.

The provisions of SB 191 have impacted retailers such as Lowes, Wal-mart, and John Deere Tractor, many of which sell all-terrain vehicles and off-road motorcycles but do not sell motorcycles manufactured by a manufacturer that also manufactures road worthy motorcycles. In order to sell all-terrain vehicles and off-road motorcycles, these entities must be licensed as motorcycle dealers and meet the requirements for such dealers contained in Chapter 19.2 of Title 46.2 of the Code of Virginia.

This legislation amends the definition of motorcycle dealer to restore the exemption from licensure for entities that sell all-terrain vehicles and off-road motorcycles but do not sell motorcycles manufactured by a manufacturer that also manufactures road worthy motorcycles. The bill also amends § 46.2-644.1 and § 46.2-644.3 so that a dealer in all-terrain vehicles or off-road motorcycles would not have to title the vehicle. Currently only motorcycle dealers licensed under § 46.2-1993 are exempt from the titling requirement.

There have been 44 new and independent dealers licensed since July, 2006. A dealer's certificate is \$100. Removing this license will result in a \$4,400 revenue reduction to the Department of Motor Vehicles.

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

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

**11. Other comments:** None.

**Date:** 1/15/07/jlv

**Document:** G:\06-08\07 Budget Development\FIS\SB746.Doc Janet Vogelgesang

cc: Secretary of Transportation