

Department of Planning and Budget 2009 Fiscal Impact Statement

1. Bill Number: SB1326

House of Origin	<u>X</u>	Introduced	___	Substitute	___	Engrossed
Second House	___	In Committee	___	Substitute	___	Enrolled

2. Patron: McEachin

3. Committee: Transportation

4. Title: DMV fees

5. Summary: This bill allows the Department of Motor Vehicles to collect a fee of no more than \$5 from insurance companies and their agents for processing applications for motor vehicle titles when the original titles are unavailable.

6. Fiscal impact estimates: Preliminary. See Item #8.

7. Budget amendment necessary: No.

8. Fiscal implications: A process does not currently exist to enable insurance companies to procure motor vehicle salvage titles when the original titles may have been lost or misplaced. Such a situation may occur when a vehicle has been declared “totaled” and the claim between the insurance company and the claimant has been resolved. If the original title cannot be found, the insurance company has little recourse for disposal of the vehicle.

In these circumstances, the actual cost associated with processing the affidavits, performing a review, and issuing a new title is approximately \$22. The \$5 fee proposed in the bill does not offset the cost and the agency will be required to largely fund this process out of existing revenue. However, although there is believed to be a current backlog of several hundred vehicles that could be disposed of utilizing this process, once that accumulation is resolved, less than 200 of these applications are expected annually.

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

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 1/23/09/jlv

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cc: Secretary of Transportation