

Department of Planning and Budget 2013 Fiscal Impact Statement

1. Bill Number: SB1117

House of Origin	<input checked="" 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: Wagner, F. W.

3. Committee: Agriculture, Chesapeake and Natural Resources

4. Title: Watercraft titling certificates; adoption of uniform act; penalty.

5. Summary: This bill repeals Virginia's existing watercraft titling law and enacts in its place the Uniform Certificate of Title for Vessels Act as adopted in 2011 by the National Conference of Commissioners on Uniform State Laws. The new act uses the term "watercraft" instead of "vessels" where appropriate to conform to Virginia law. The bill requires the owner of every watercraft of a particular size and type to apply for and obtain a certificate of title, lowering the minimum boat length for which a title is required from 18 feet to 16 feet. The bill also details the methods of creation or cancellation of certificates by the Department of Game and Inland Fisheries (DGIF) and describes the contents and effects of a certificate, including the availability of a title brand, a permanent designation indicating that a watercraft's hull has been damaged. The bill applies some of the principles of the Uniform Commercial Code to the realm of watercraft by defining the rights of secured parties and purchasers other than secured parties and providing the method for perfecting a security interest. Finally, the bill also establishes the rules for transferring ownership of a watercraft by a transfer statement or by operation of law, sets out the means of acquiring title to an abandoned watercraft, states the duties of DGIF, and provides several general provisions. The bill also makes technical amendments.

6. Budget Amendment Necessary: No.

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

8. Fiscal Implications: It is anticipated that DGIF will experience a minimal increase in revenue due to the new requirement of a \$7 fee for a delayed notification (after 30 days) of a change in address. DGIF does not currently charge or track this information and is therefore unable to provide an estimated amount of additional revenue. However, DGIF does not anticipate a significant increase in revenue as a result of the additional fee and requirement. The department does charge \$7 for issue of each certificate of title, transfer of title, or the recording of a supplemental lien, as well as a \$2 fee for each duplicate title, as specified in the bill, so no change is anticipated in that line of revenue.

Further, the bill provides that any violation of certain provisions of the article is subject to a

Class 1 misdemeanor. As such, the legislation could result in an increase in the jail population since Class 1 misdemeanor outcomes result in sentences of up to 12 months in jail (and a fine up to \$2,500). Any increase in jail population will increase costs to the state. The Commonwealth presently pays the localities \$4.00 a day for each misdemeanant or otherwise local responsible prisoner held in a jail. It also funds most of the jails' operating costs, e.g. correctional officers. The state's share of these costs on a per prisoner, per day basis varies from locality to locality. However, according to the Compensation Board's FY 2012 Jail Cost Report (November 1, 2012), the estimated total state support for local and regional jails averaged \$26.54 per state inmate, per day in FY 2011.

9. Specific Agency or Political Subdivisions Affected: Department of Game and Inland Fisheries; state and local jails.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 2/7/13

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