

## Department of Planning and Budget 2017 Fiscal Impact Statement

**1. Bill Number:** HB2326

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

**2. Patron:** Edmunds

**3. Committee:** Transportation

**4. Title:** Registration of specially constructed vehicles for general transportation purposes.

**5. Summary:** This bill provides a process by which the Department of Motor Vehicles may register specially constructed vehicles that do not meet requirements for on-road use to operate on the highways of the Commonwealth for general transportation purposes. Such vehicles may be operated only on an intrastate basis and must have a valid Virginia safety inspection. The owner of such specially constructed vehicle must complete an acknowledgement that such vehicle may not be operated on an interstate basis. Such vehicles do not have to meet Federal Motor Vehicle Safety Standards.

**6. Budget Amendment Necessary:** No.

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

**8. Fiscal Implications:** This bill would have an initial expenditure impact to the Department of Motor Vehicles (DMV) for implementation; however, the ongoing fiscal impact, in both expenditure and revenue, should be minimal. In 2016, DMV issued titles without registration to 17 specially constructed vehicles. Moving forward, DMV expects this bill to result in a quick increase in registration requests for vehicles with existing titles, which should then fall back to average annual numbers as requests shift back to primarily newly-constructed or acquired vehicles. DMV cannot estimate how many owners of existing specially constructed vehicles will seek to register those vehicles under this bill. As a result, the ongoing revenue impact is unknown, but expected to be minimal.

For implementation, DMV will incur costs to develop the appropriately designated license plates required by this bill and to update the agency's information technology systems. License plate development costs cannot be estimated at this time because the plates would be available for multiple vehicle types and the volume of vehicles across each type is expected to be very small. Since the volume should be low, DMV will explore options to minimize development and production costs, which also represent ongoing expenses for plate issuance.

A cost of \$74,994 and 1,181 personnel hours is anticipated for information technology changes as a result of this bill. 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.

According to the Virginia State Police, no fiscal impact is anticipated from this proposal.

**9. Specific Agency or Political Subdivisions Affected:** Virginia Department of Motor Vehicles, Virginia State Police.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** This bill is a companion to SB 1170.

**Date:** 1/24/2017

**Document:** Janet Vogelgesang G:\16-18\FIS 2017\HB2326.docx

cc: Secretary of Transportation