

## Department of Planning and Budget 2019 Fiscal Impact Statement

**1. Bill Number:** SB1333

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

**2. Patron:** Cosgrove

**3. Committee:** Passed Both Houses

**4. Title:** Motor vehicle dealers and manufacturers; franchises; transfer or discontinuation of manufacturing

**5. Summary:** This bill provides that if a motor vehicle manufacturer or factory branch transfers or discontinues its right to manufacture a line-make of motor vehicles and the acquiring manufacturer or factory branch does not honor the existing franchise agreements of motor vehicle dealers in Virginia of the same line-make, such discontinuation, sale, or transfer shall constitute a termination of the franchise and such motor vehicle dealers shall be entitled to compensation.

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

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

**8. Fiscal Implications:** The fiscal impact of this legislation is indeterminate. The right to compensation language expands existing grounds for a hearing. In past years, hearings related to § 46.2-1569 have cost the Department of Motor Vehicles (DMV): \$11,372 in 2018 for six hearings; \$15,912 in 2017 for seven hearings; \$27,503 in 2016 for five hearings; \$3,390 in 2015 for two hearings; and \$1,730 in 2014 for two hearings, for an average hearing cost of \$2,445 per hearing. The number of hearings the agency will be required to conduct cannot be estimated.

**9. Specific Agency or Political Subdivisions Affected:** Motor Vehicle Dealer Board, Department of Motor Vehicles.

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

**11. Other Comments:** None.

**Date:** 2/11/2019

**Document:** G:\18-20\FIS 2019\SB1333ER.docx

Cc: Secretary of Transportation