

Department of Planning and Budget 2019 Fiscal Impact Statement

1. Bill Number: SB1333

House of Origin	<input type="checkbox"/> Introduced	<input checked="" 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: Cosgrove

3. Committee: Transportation

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: Preliminary. 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: 2/8/2019

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Cc: Secretary of Transportation