

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6594
BILL NUMBER: SB 240

DATE PREPARED: Jan 13, 2000
BILL AMENDED:

SUBJECT: Registration of motor vehicles by dealerships.

FISCAL ANALYST: James Sperlik
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FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that the Bureau of Motor Vehicles (BMV) may contract with a qualified person to register a motor vehicle for a purchaser or a lessor of the motor vehicle sold or leased by the qualified person. It makes conforming changes.

Effective Date: Upon passage; July 1, 2000.

Explanation of State Expenditures: (Revised) The bill provides that interim written guidelines must establish procedures to permit motor vehicle dealers to provide motor vehicle registrations. The interim written guidelines must authorize not more than 20 motor vehicle dealers to provide this service at the initial establishment of the procedures. The interim written guidelines must provide that the dealers to be selected be divided among the north, central, and southern geographic regions of the state. In addition, the guidelines must provide that sales volume and number of vehicles sold be a part of the standards for inclusion in the formula.

For the BMV, the specific impact will depend upon how this proposal is implemented. The BMV will incur start-up computer costs estimated at \$10,000. There may be equipment needed if new employees are required. There also will be on-going mailing costs estimated to range between \$6,100 and \$12,100, depending upon the number of transactions which occur under the new system. The funds and resources required above could be supplied through a variety of sources, including the following: (1) Existing staff and resources not currently being used to capacity; (2) Existing staff and resources currently being used in another program; (3) Authorized, but vacant, staff positions, including those positions that would need to be reclassified; or (4) Funds that, otherwise, would be reverted. As of December 3, 1999, the Staffing Report for the BMV showed 101 vacancies. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

The fund affected is the Motor Vehicle Highway Account which supports the BMV.

Explanation of State Revenues: The proposal provides that the contractor shall collect and transmit all taxes and BMV fees as prescribed by law. The specific impact will depend upon the number of registration performed by the contractor. Presumably, the fees currently retained by the BMV would now be retained by the contractor.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Bureau of Motor Vehicles; Bureau of Motor Vehicles Commission.

Local Agencies Affected:

Information Sources: Mary DePrez, Deputy Commissioner of the BMV, 232-0104.