



## Fiscal Estimate Narratives

DOT 2/3/2004

LRB Number 03-3809/1	Introduction Number SB-393	Estimate Type Original
<b>Subject</b> Responsibility for towing, removal, impoundment if owner provides notice of transfer of title or ownership		

### Assumptions Used in Arriving at Fiscal Estimate

Current law requires that, to sell a vehicle, the seller must (1) deliver possession of the vehicle to the buyer; (2) sign the vehicle title over to the buyer, and give certain disclosures to the buyer; and (3) remove the license plates from the vehicle if appropriate. The buyer must promptly apply for vehicle title in the buyer's own name. Current law provides that all steps must be accomplished to make the transfer effective.

In addition, current law requires a new owner of an automobile or light truck to obtain valid registration (and, with it, title) within 2 business days of the transfer.

SB 393 provides that the vehicle transfer is effective either (1) when all the above provisions have been met as under current law; or (2) when the seller delivers possession of the vehicle to the buyer, signs the vehicle title over to and gives certain disclosures to the buyer, and removes the license plates from the vehicle if appropriate, and also mails or delivers a notification to DMV that the seller has transferred the vehicle and names the buyer. This notification must be accomplished within 7 business days after the seller delivers the vehicle and title to the buyer. In this case, vehicle transfer is effective even if the buyer does not apply for title in the buyer's name.

The new provisions do not apply to vehicle transfer by way of a licensed motor vehicle dealer. Current law continues to apply to transfer to or from a dealer.

SB 393 also specifies that, for the purposes of responsibility for an abandoned vehicle, the term "owner" includes a buyer even if the buyer has not applied for title in the buyer's name. For the purposes of responsibility for an abandoned vehicle, the term also includes a seller if the seller has not notified DMV of the sale and if the buyer has not applied for title in the buyer's name.

SB 393 would apply to all private vehicle sales (not through a dealer), of which about 600,000 occur annually.

DMV will incur a one-time cost of \$93,100 for data processing programming to modify the DP system. The bill does not fund this cost, and DMV cannot absorb this cost within its current budget.

The fiscal estimate assumes that DMV will contract with a vendor to enter seller notification information into the DMV database, and will provide an Internet application so that a customer may enter the information directly. Based on a similar DMV contract, DMV estimates the vendor contract will cost \$316,000 annually. In addition, DMV will incur \$9,000 annual cost for forms. Total annual cost is \$325,000 annually. The bill does not fund this cost, and DMV cannot absorb this cost within its current budget.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

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<b>Subject</b>			
Responsibility for towing, removal, impoundment if owner provides notice of transfer of title or ownership			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
One-time cost of \$93,100 for data processing programming to modify the DP system. The bill does not fund this cost, and DMV cannot absorb this cost within its current budget.			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
	State Operations - Salaries and Fringes	\$	
	(FTE Position Changes)		
	State Operations - Other Costs	325,000	
	Local Assistance		
	Aids to Individuals or Organizations		
	<b>TOTAL State Costs by Category</b>	<b>\$325,000</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S	325,000	
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		State	Local
	NET CHANGE IN COSTS	\$325,000	\$
	NET CHANGE IN REVENUE	\$	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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