

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: August 18, 2011
POSITION: Neutral

BILL NUMBER: AB 1215
AUTHOR: B. Blumenfield

BILL SUMMARY: Vehicles: Electronic Processing of Documents: Titling

This bill would require, by July 1, 2012, licensed new motor vehicle dealers to participate in the Department of Motor Vehicles' (DMV) electronic vehicle registration program and allow for a fee of up to \$29 to be charged for this function.

- Increase the cap on document processing charges that a dealer may charge for both purchases and leases to \$85 for those dealers that participate in electronic registration, and \$65 for those dealers that do not participate, such as used car dealers.
• Prohibit a dealer from offering a used vehicle for sale unless the dealer first obtains a report on the vehicle from the National Motor Vehicle Title Information System (NMVTIS).
• Specify that a dealer has no legal duty related to the accuracy, errors, or omissions contained in the NMVTIS.
• Reduce the time period from 6 months to 60 days for which a person may operate a new vehicle while displaying a copy of the report of sale in lieu of a license plate and registration.

The provisions of this bill would not apply to motorcycles, recreational vehicles, or off-highway vehicles.

FISCAL SUMMARY

The DMV estimates an increase in revenue resulting from application and transaction fees of \$5.6 million in 2012-13 and \$5.8 million in 2013-14. The DMV estimates electronic registrations will result in cost savings of \$3.6 million in 2012-13 and \$3.8 million in 2013-14.

Although flagged as a mandate by the Legislative Counsel because it would alter the definition of a crime or infraction, under Section 6(b) of Article XIII B of the California Constitution, any costs to a unit of local government which result from legislation defining a new crime or changing an existing definition of a crime are not reimbursable by the state.

SUMMARY OF CHANGES

Amendments to this bill since our analysis of the August 15, 2011 version are minor and do not alter our position.

Analyst/Principal Date Program Budget Manager Date
(0744) J. Gregg Mark Hill

Department Deputy Director Date

Governor's Office: By: Date: Position Approved
Position Disapproved

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

B. Blumenfield

August 18, 2011

AB 1215

COMMENTS

Requiring electronic vehicle registration would result in cost savings and increased revenue to the DMV. The bill would improve DMV customer service by reducing the volume of new motor vehicle transactions currently processed in field offices, and would reduce the wait time for the delivery of license plates and completed vehicle registrations. Additionally, requiring a NMVTIS report prior to offering a used vehicle for sale would help curb automobile-related salvage fraud, theft, and related crimes. When fully implemented nationwide, NMVTIS is expected to save the American public between \$4.3 billion and \$11.7 billion annually.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
		LA	PROP		2011-2012		2012-2013		
	CO	98	FC	FC	FC	FC	FC		
1143/Other MV Fee	RV	No		--	U	\$5,600	U	\$5,800	0044
2740/DMV	SO	No		--	M	-\$3,600	M	-\$3,800	0044
<u>Fund Code</u>	<u>Title</u>								
0044	Motor Vehicle Account, STF								