

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: 04/19/2012
POSITION: Oppose

BILL NUMBER: AB 2289
AUTHOR: Jeffries, Kevin

BILL SUMMARY: Vehicles: specially constructed vehicles: emission control inspection.

This bill would revise the procedures for registering specially constructed vehicles and pick-ups (SCVs).

FISCAL SUMMARY

The Department of Motor Vehicles (DMV) has not provided an estimate for programming costs to ensure that their data base tracks applications by date and time received, and holds applications in excess of the 500 slots for issuance in the subsequent year. These costs could run several hundred thousand dollars.

COMMENTS

Finance is opposed to this bill because the it is unnecessary as the DMV has issued fewer than 500 SCV registration certificates in each of the last three years. Additionally, the DMV's registration system is not set up to retain year over year cumulative applications as proposed in the bill, and DMV would need to modify its registration system to add this functionality. The DMV reports that a total of 132 SCV registrations have been issued for 2012, leaving 368 slots remaining in the calendar year.

ANALYSIS

1. Programmatic Analysis

Existing law:

- Defines an SCV as a vehicle that is built for private use (not for resale) from a kit or a combination of new and/or used parts.
- Prohibits the DMV from registering more than 500 SCVs per calendar year.
- Requires that the Bureau of Automotive Repair inspect SCVs to establish the model year of the vehicle or engine for the purpose of determining emission control (smog check) requirements.

This bill would:

- Require the DMV to hold applications for SCV registrations for consideration the subsequent year if the 500 annual slots for SCV registration are taken.
- Require the DMV to establish, maintain, and make available to the public on its web site, a current listing of the date and time that the department received each application for the registration of an SCV applicant.
- Require the DMV to adopt a secure process to establish the list of applicants that protects an applicant's privacy yet enables them to determine his or her position on the list of applicants.

Analyst/Principal (0744) K.Amann	Date	Program Budget Manager Mark Hill	Date
Department Deputy Director		Date	
Governor's Office:	By:	Date:	Position Approved _____ Position Disapproved _____
BILL ANALYSIS			Form DF-43 (Rev 03/95 Buff)

Jeffries, Kevin

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ANALYSIS (continued)

- Require the DMV to reject an SCV application if it is a duplicate.

Discussion: According to the author's office, owners of SCVs are having difficulty registering their vehicles. There appears to be difficulty in the system established for processing these limited number of applications, and the author cites instances where SCV owners have been told by the DMV that all available registrations have been issued, only to learn later that there were available slots. The author's office also claims that dealers are using up the majority of available registrations, thereby preventing hobbyists from being able to register their vehicles.

To address these concerns, AB 2289 would require the DMV to establish, maintain, and make available on its website a current listing of the date and time that the department received each application. It would also require that the DMV roll applications over from one year to the next, in the order they are received, rather than deny and return applications. The bill would allow the DMV to grant only one SCV registration per applicant per year and would prohibit the DMV from accepting duplicate applications. The bill is intended to provide a measure of transparency by allowing SCV applicants to easily determine whether SCV slots are available.

According to the DMV, the 500 SCV registration limit has been met in five of the last 10 years. In the last three years (2009-2011), less than 500 certificates were issued. The DMV reports that a total of 132 SCV registrations have been issued for 2012, leaving 368 slots remaining in the calendar year. However, reports received by the author's office seem to indicate that applicants have been turned away within the last several years despite the fact that the 500 registration limit has not been met.

2. Fiscal Analysis

The Department of Motor Vehicles (DMV) has not provided an estimate for programming costs to ensure that their data base tracks applications by date and time received, and holds applications in excess of the 500 slots for issuance in the subsequent year. These costs could run several hundred thousand dollars.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)					Fund Code
	LA	(Dollars in Thousands)					
	CO	PROP					
	RV	98	FC	2011-2012 FC	2012-2013 FC	2013-2014	
2740/DMV	SO	No		-----	Minor Fiscal Impact	-----	0044
<u>Fund Code</u> 0044	<u>Title</u>	Motor Vehicle Account, STF					