

Department of Planning and Budget 2022 Fiscal Impact Statement

1. Bill Number: HB1122

House of Origin	<input checked="" type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

2. Patron: Campbell, J.L.

3. Committee: General Laws

4. Title: Certain manufactured homes; recordation as real property; release of manufactured home records.

5. Summary: This bill requires the owner of a new manufactured home that is and always has been affixed to real property to record the certificate of origin provided by the home's manufacturer with the commissioner of revenue in the locality where the real property is located. The bill provides that, upon proper recordation, such manufactured home shall be considered real property and shall be subject to all local, state, and federal rules, laws, and regulations regarding real property. The bill also (i) requires the Commissioner of the Department of Motor Vehicles to furnish vehicle information for a manufactured home to a prospective purchaser, a real estate agent, or a loan officer upon such individuals meeting certain requirements and (ii) prohibits the Department from disposing of any vehicle information for any manufactured home.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary. See Item #8.

8. Fiscal Implications: This bill amends existing law by adding a new section to the Code of Virginia to establish a process in which a new manufactured home that is and always has been affixed to real property can be considered real property. The amendments also authorize the Department of Motor Vehicles (DMV) to provide vehicle information regarding a manufactured home to a prospective purchaser, a real estate agent or to a loan officer. The bill amends the law to require DMV to retain vehicle information for a manufactured home permanently.

DMV transfers to applicable localities the motor vehicle sales and use tax (MVSUT) paid on manufactured homes each month. It is indeterminate if there would be a negative impact to locality budgets with a reduction in these payments, though any reduced revenues may be offset with localities now being able to apply real estate taxes to these manufactured homes. There would not be an impact to state funds if the MVSUT was not paid as a result of this bill.

In order to implement the bill, the agency will incur programming costs estimated at \$6,628. The 90 staff hours required can be accomplished during the normal work schedules for DMV employees, given current workloads.

- 9. Specific Agency or Political Subdivisions Affected:** Department of Motor Vehicles, Library of Virginia, local governments.

- 10. Technical Amendment Necessary:** No.

- 11. Other Comments:** The bill mandates that the vehicle information record for a manufactured home be preserved as a permanent record. In Virginia, most retention periods are not set by Code, they are set by the Library of Virginia pursuant to the Public Records Act. This amendment could create an issue if the Library of Virginia ever changes the DMV retention schedule for manufactured homes. If that were to happen, DMV would be in the position of being out of compliance with either the amended § 46.2-216 or the Public Records Act. Virginia Code § 42.1-79 states, "Whenever legislation affecting public records management and preservation is under consideration, The Library of Virginia shall review the proposal and advise the General Assembly on the effects of its proposed implementation."