

## Department of Planning and Budget 2022 Fiscal Impact Statement

**1. Bill Number:** SB281

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

**2. Patron:** Ebbin

**3. Committee:** Passed Both Houses

**4. Title:** Transit buses.

**5. Summary:** Exempts a manufacturer, factory branch, distributor, distributor branch, or factory or distributor representative engaged in the manufacture or distribution of transit buses from the requirements of obtaining a license from the Department of Motor Vehicles to engage in business. The bill also exempts transit buses from dealer's license plate and temporary license plate requirements.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** Final. See item 8.

**8. Fiscal Implications:** Section 46.2-1508, Code of Virginia, requires any bus manufacturer entering into a state contract for the procurement of transit buses to obtain both a manufacturer and dealer license. These requirements conflict directly with Federal code requirements by creating a geographic preference as part of the procurement. 49 U.S.C. 5325(i) states that “no state law requiring buses to be purchased through in-State dealers shall apply to vehicles purchased with a grant under this chapter.” The Federal Transit Administration has advised the Department of Rail and Public Transportation (DRPT) that these requirements would prohibit agencies from using federal funds for bus purchases. Without the availability of federal funds, the Commonwealth and localities would have to rely solely on state and local revenues to purchase these buses. The fiscal impact resulting from the inability to use federal funds to purchase transit busses is indeterminate.

This bill would provide an exemption to the licensure requirements for manufacturers and distributors of transit busses to resolve the conflict with federal law and allow the use of federal funds in procurement of transit busses by local and non-profit transit agencies.

The Department of Motor Vehicles (DMV) issues manufacturers licenses and the Motor Vehicle Dealer Board (MVDB) issues dealers licenses; the impact of this legislation on the DMV and MVDB is currently indeterminate.

**9. Specific Agency or Political Subdivisions Affected:** Department of Rail and Public Transportation, Department of Motor Vehicles, Motor Vehicle Dealer Board, localities.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.