

Department of Planning and Budget 2022 Fiscal Impact Statement

1. Bill Number: SB186

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: Hanger

3. Committee: Transportation

4. Title: Department of Motor Vehicles; permanent farm use placard.

5. Summary: This bill requires an owner or lessee of a vehicle claiming a farm use exemption from the registration, licensing, and decal requirements for a vehicle, trailer, or semitrailer to obtain a permanent farm use placard from the Department of Motor Vehicles. The applicant is required to provide a limited amount of information about the vehicle and its usage, pay a fee that may not exceed the cost of the placard, and show proof of insurance. Once a vehicle is no longer used for farm use, the owner or lessee is required to return the farm use placard to the Department.

6. Budget Amendment Necessary: No.

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

8. Fiscal Implications: This bill authorizes the Department of Motor Vehicles (DMV) to charge a nominal fee for the permanent farm use credential, not to exceed its cost. For purposes of implementing this bill, the agency contemplates using the processes and programming that already exist for registered farm vehicles, allowing for applications to be submitted by mail. DMV believes a \$15 fee will cover expenses, which corresponds to the minimum fee currently set out in § 46.2-698 (A) for registered farm vehicles. It has been estimated that at least 6,000 customers with qualifying vehicles may apply for the credential.

Currently, vehicles used for farming purposes may be registered with DMV or may remain unregistered. DMV issues license plates referred to as "F-tags" for registered farm vehicles. Unregistered vehicles do not currently display a DMV-issued license plate although they may have a sign or placard that says "Farm Use." An owner is not required to register a vehicle (i.e. obtain license plates and decals) or pay a registration fee for any pickup or panel truck, sport utility vehicle, vehicle having a gross vehicle weight rating greater than 7,500 pounds, trailer, or semitrailer used exclusively for agricultural or horticultural purposes on lands owned or leased by the vehicle's owner.

In order to implement the bill, the agency will incur programming costs estimated at \$78,805. The 2,070 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.

10. Technical Amendment Necessary: No.

11. Other Comments: This bill is similar to HB33 and HB179.