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FISCAL IMPACT STATEMENT

LS 6126

BILL NUMBER: SB 43

NOTE PREPARED: Nov 12, 2003

BILL AMENDED:

SUBJECT: Motor Vehicle Dealer Consumer Complaints.

FIRST AUTHOR: Sen. Wyss

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill directs the Attorney General, Superintendent of the State Police, and Commissioner of the Bureau of Motor Vehicles or their designees to report to the Governor and Legislative Council regarding motor vehicle dealer consumer complaints. (The introduced version of this bill was prepared by the Public Safety Matters Evaluation Committee.)

Effective Date: July 1, 2004.

Explanation of State Expenditures: There will be an increase of administrative expenditures associated with the task force created by this proposal. The specific amount is not known, but should be minimal given that the task force is located in Indianapolis resulting in minimal mileage expense, if any, and little or no other expense. Expenses for the task force are to be paid from money appropriated to the State Police. The funds affected are the state General Fund, the Motor Vehicle Highway Account, and the Motor Carrier Regulation Fund, all of which support the State Police.

Background Information: The following information was provided by the Attorney General's (AG) Office, Consumer Protection Division (CPD) regarding automobile-related complaints in 2002.

A. Consumer Complaints Filed with the CPD Against Used Car Dealers: 664 total complaints filed.

Of the 664 complaints filed, the greatest number of complaints (184) consisted of title non-delivery allegations. Of these 184 used car title non-delivery complaints, 118 were against five dealers. [The second highest category of complaints consisted of defective automobile allegations (160 of the 664 filed).]

Outcomes for Title Non-Delivery Complaints Against Used Car Dealers:

79 were resolved by the CPD obtaining titles for the consumer.
25 went to litigation after the CPD filed in court against the dealers.
23 cases were referred by the CPD to law enforcement for criminal prosecution.
6 cases were referred to BMV Help Desk for affidavits of ownership.
7 cases were closed with the CPD issuing a warning.
54 unsubstantiated claims or claims resolved without CPD action.

B. Consumer Complaints Filed with the CPD Against New Car Dealers: 281 total complaints filed.

Title Non-Delivery: 5 of the 281 complaints. [The second highest category of complaints again consisted of defective automobile allegations with 160 of the complaints - the number is coincidentally the same as with used cars.]

Outcomes for Title Non-Delivery Complaints Against New Car Dealers

1 complaint settled.
1 complaint referred to the prosecutor.
1 closed with a warning letter.
2 unsubstantiated or resolved without CPD action.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Attorney General, Superintendent of the State Police, and Commissioner of the Bureau of Motor Vehicles.

Local Agencies Affected:

Information Sources: Jennifer Thuma, Legislative Counsel, Attorney General's Office, 233-6143.

Fiscal Analyst: James Sperlik, 317-232-9866.