

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 7534**  
**BILL NUMBER: SB 458**

**NOTE PREPARED: Jan 11, 2009**  
**BILL AMENDED:**

**SUBJECT:** Motor Vehicle Merchandising.

**FIRST AUTHOR:** Sen. Merritt  
**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
 **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill: (1) requires certain motor vehicle merchandising licensees to maintain a bond of \$25,000; (2) requires certain applicants for motor vehicle merchandising licensing to file an irrevocable consent appointing the Secretary of State to be the agent of the applicant to receive service of lawful process in a noncriminal suit, action, or proceeding against the applicant arising from the violation of motor vehicle merchandising law; (3) specifies the types of records directly related to the use of interim plates by a dealer that must be made available to an investigating employee of the Secretary of State upon demand at the dealer's place of business; (4) adds several categories of persons that commit an unfair practice when using false, deceptive, or misleading advertising or engaging in deceptive acts or practices concerning motor vehicle merchandising; and (5) makes certain other changes pertaining to the regulation of vehicle merchandising.

**Effective Date:** July 1, 2009.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** *Penalty Provision:* If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class B misdemeanor is \$1,000. Criminal fines are deposited in the Common School Fund.

If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund. In addition, some or all of the document storage fee (\$2), automated record keeping fee (\$7), judicial salaries fee (\$18), public defense administration fee (\$3), court administration fee (\$5), judicial insurance adjustment fee (\$1), and

the DNA sample processing fee (\$1) are deposited into the state General Fund.

**Explanation of Local Expenditures:** *Penalty Provision* A Class B misdemeanor is punishable by up to 180 days in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

**Explanation of Local Revenues:** *Penalty Provision* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. In addition, several additional fees may be collected at the discretion of the judge and depending upon the particular type of criminal case.

**Background Information:** A person who is injured by an unfair practice may sue for relief in court and may recover damages or may receive injunctive relief, or both, and may recover the cost of the suit, including reasonable attorney's fees.

**State Agencies Affected:** Secretary of State.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:**

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